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AGRICULTURAL FINANCE REVIEW

AN ANNUAL REVIEW OF CURRENT DEVELOPMENTS AND RESEARCH IN THE FIELD OF FARM CREDIT, FARM INSURANCE, AND FARM TAXATION

UNITED STATES DEPARTMENT OF AGRICULTURE
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LIST OF AVAILABLE PUBLICATIONS AND REPORTS RELATED TO AGRICULTURAL FINANCE

Title	Date issued
Agricultural Credit:	
An Experimental Analysis of Factors Affecting the Collectibility of Cotton-Production Loans (Processed)	Oct. 1934
Agricultural Loans of Commercial Banks .... U.S.D.A. Tech. Bull. 521	1936
Federal Seed-Loan Financing and Its Relation to Agricultural Rehabilitation and Land Use .... " " " 539	1936
Demand Deposits of Country Banks (From Supt. of Documents, Govt. Print. Off., 5¢) .. " " " 575	1937
Federal Credit for Agricultural Cooperative Associations in the United States (Pan American Union, Div. of Agricultural Cooperation, Series on Cooperatives, No. 5 - Processed) (Now available only from Bureau of Agricultural Economics)	Mar. 1937
Financing Crop Production on the Eastern Shore of Virginia (Processed)	Feb. 1938
Farm-Mortgage Recordings, 1917-35 (Individual State Reports - Processed)	1938
Average Rates of Interest Charged on Farm-Mortgage Recordings of Selected Lender Groups (Processed)	Nov. 1940
Lender Distribution of Farm-Mortgage Recordings (Processed)	Nov. 1940
Average Size of Farm-Mortgage Recordings of Selected Lender Groups (Processed)	Nov. 1940
Country Banking in Wisconsin During the Depression .... U.S.D.A. Tech. Bull. 777	1941
Agricultural Loans (Individual State Reports - Processed)	1941-42
Farm-Mortgage Credit Facilities in the United States .... U.S.D.A. Misc. Pub. 478	1942
Farm-Mortgage Indebtedness in the United States, Release No. 1 - Number of Mortgaged Farms (In cooperation with Bureau of the Census - Processed)	June 1943
Farm-Mortgage Investments of Life Insurance Companies (Processed)	Dec. 1943
Farm-Mortgage Indebtedness in the United States, Release No. 2 - Amount of Farm-Mortgage Debt (In cooperation with Bureau of the Census - Processed)	Mar. 1944
Sales Contracts and Real Estate Investments of Life Insurance Companies (Processed)	Mar. 1944
Revised Annual Estimates of Farm-Mortgage Debt by States, 1930-43 (Processed)	April 1944
Farm-Mortgage Debt Reduced 952 Million Dollars, 1940-44 (Processed)	July 1944
Revised Annual Estimates of Interest Charges and Interest Rates on Farm-Mortgage Debt, 1930-43 (Processed) .	Oct. 1944
Farm Taxation:	
Farm Real Estate Tax Delinquency in Selected Counties, 1928-33 (Individual State Reports - Processed)	1935
A Graphic Summary of Farm Taxation .... U.S.D.A. Misc. Pub. 262	1937
Farm Property Taxes and Their Relation to Parity Determinations (Processed)	Nov. 1941
State and Local Government Finance in Wartime — The Farmer and the War - No. 4	1942
Farm Income Taxes Under the Pay-As-You-Go System (Processed)	July 1943
The Farmers' Interest in the New Tax Law (Processed)	June 1944
Tax Treatment of Income From Farm Woodland Under the Revenue Act of 1943 (Processed)	July 1944
Farm Real Estate Taxes in 1943 (Also releases for earlier years - Processed)	July 1944
Farm Bookkeeping and the Federal Income Tax .... U.S.D.A. Misc. Pub. 554 Revised	Oct. 1944
Farmers' Cooperatives and the Federal Income Tax Statutes .... U.S.D.A., F.C.A., Misc. Rept. No. 75	Oct. 1944
Farm Insurance:	
Crop Insurance - Excerpts and Selections (Processed)	Oct. 1936
Farmers' Mutual Windstorm Insurance Companies .... U.S.D.A., F.C.A. Bull. No. 21	1938
Problems and Trends in Farmers' Mutual Fire Insurance .... " " " No. 23	1938
Reinsurance Among Farmers' Mutual Fire Insurance Companies .... " " " No. 45	1941
Classification and Rating of Farm Fire Risks .... " " " No. 46	1941
The Prevention of Accidents on Farms and in the Home (Processed)	Sept. 1942
Size and Efficiency in Farmers' Mutual Fire Insurance Companies .... U.S.D.A., F.C.A. Misc. Rept. No. 54	1942
Insurance Protection Against Farm Accidents (Processed)	April 1943
Reductions in Workmen's Compensation Insurance (Processed)	Sept. 1943
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Farmer Bankruptcies, 1898-1935 .... U.S.D.A. Cir. 414	1936
The Agricultural Situation in Relation to Banking, Vol. I, Nos. 1, 2, 3, and 4, ...	Jan., Apr., July, Oct. 1941
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The Impact of the War on the Financial Structure of Agriculture (Processed)	Sept. 1944
The Impact of the War on the Financial Structure of Agriculture (Summary) U.S.D.A. Misc. Pub. 558 (In press)	1944

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AGRICULTURAL FINANCE REVIEW

INSURANCE AND THE FARM-RISK PROBLEM

V. N. Valgren [1]

Farmers are confronted with an exceptionally wide variety of risks. An increasing number of these risks are insurable through expanding insurance facilities provided either by companies organized and controlled by the farmers themselves, or by companies generally larger and broader in their activities, that are primarily urban in their composition and interests. Of the farm risks for which insurance is still unavailable, some may be found to be insurable if and when suitable methods for handling them have been devised. That a given risk is insurable on quoted terms means little, however, unless the cost of the insurance is within the means of the farmer and bears a reasonable relationship to the value of the protection that it affords.

Insurance as a device for dealing with risks, or more literally with the economic losses incident to risks, does not in and of itself eliminate or even lessen the probability of losses. It merely provides a method of distributing the burden from losses, thus making the burden more readily bearable. In the case of certain risks that at least in part can be controlled by the individual, insurance written carelessly and particularly if granted in too liberal amounts, may in fact increase the loss-probability by making the insured indifferent to the occurrence of loss. He may even wish to have a loss occur. In most instances however, the organizations that provide insurance attempt to apply such safeguards as seem practicable against permitting the presence of insurance to increase the risk. They also go further and endeavor, in their own interest as well as in the public interest, to promote risk improvement and loss prevention by various safety requirements and educational work.

1/ Principal Agricultural Economist.

Risks and Hazards

By risk is meant, of course, a greater or less probability or chance of loss. When this chance of loss pertains to a tangible object, as a house for example, the house itself is often loosely spoken of as the risk. But in such case the speaker normally has in mind the chance of the house being damaged or destroyed by some unfriendly agency, usually called a hazard. The hazards affecting the buildings of farmers, as well as others, include fire, lightning, windstorm, hail, explosion, in some localities earthquake, and numerous less prevalent or less severe hazards. A piece of farm equipment, a farm animal, or other personal property considered as a risk may be subject to some or all of the hazards that affect buildings plus others including robbery or theft.

Loss of livestock may occur as the result of a wide variety of diseases, or of accidents of sundry kinds, in addition to some of the hazards named above. Crops may fail from one or another of various meteorological causes or be destroyed by plant disease or insect or animal pest. As with other agricultural products, when crops or livestock escape all or most of the hazards that affect their production, there remains the final risk that the supply in relation to the demand may be such that the price obtainable is too low to avoid a financial loss to the growers, notwithstanding a satisfactory yield. This final hazard is present also in the case of products of the industrial plant or the factory, but here the output is more directly subject to control by the producers.

These risks, which in each instance are associated with a given class of tangible property, represent only a part of the risk burden that attaches to farming. Other types of risks are not tied to any given tangible property that the farmer may own. One of these involves potential liability of various kinds. Examples are: A judgment against the farmer for personal injury or property damage to others, resulting from his ownership and use of automobiles and trucks; a similar judgment for injury suffered by an employee, or even by a member of the general public, if the farmer is found responsible through failure to take proper precautions against the occurrence of such injury or damage in connection with his farm machinery, his livestock, and even his buildings.

In addition to these numerous farm risks, some pertaining to values represented by specific tangible property and others to financial obligations without reference to given property values, the farmer bears a variety of distinctly personal risks which in most instances are common to all classes of society. His premature death, particularly if his debts are heavy in relation to his assets, may leave the family in economic distress, as may his loss of health through personal accident or disease, with resulting inability to carry on. Unless very special care is exercised, farming is a relatively hazardous employment. The use and care of the machinery and livestock found on modern farms entail numerous possibilities of severe accidents. Unexpected hospital and doctors' bills, frequently associated with accidents or with loss of health from any cause, represent other personal risks that confront farm families no less than urban families.

From this condensed and incomplete summary of farm risks and hazards, it is obvious that the needs for protection on the part of farmers extend into essentially every recognized field of insurance. Many of these needs go beyond existing insurance facilities and some involve risks that may prove to be permanently uninsurable unless so-called self-insurance and broad governmental programs are included in the concept of insurance protection.

Amount and Source of Insurance Carried

Insurance facilities for farmers in the United States are provided principally by three types of organizations: (1) Cooperative or mutual insurance companies organized, owned, and controlled by the farmers themselves, (2) capital stock insurance companies whose primary interest lies in urban business but who also write more or less farm insurance of various kinds, and (3) general-writing mutual companies. State insurance funds or departments, and interinsurance exchanges are on the whole minor factors in the farm-insurance field.

Property Insurance

Protection covering loss of farmers' tangible property, such as buildings, farm equipment, livestock, and household goods, is largely obtained from farmers' mutual companies. This is true at any rate so far as protection against loss from fire and lightning is concerned, and it is substantially true as to protection against loss from windstorm. Farmers' fire insurance mutuals in the United States, some 1,890 in number, have on their books an aggregate amount of insurance which as of January 1, 1944 apparently exceeded 13 billion dollars. Practically all of these mutuals cover also against loss from lightning whether fire ensues or not. The Nation-wide average cost of this insurance for the past 30 years has been about 27 cents per $100 per year, which represents a very substantial saving when compared with the commercial rates for such insurance.

About 300 of the larger so-called farmers' fire insurance mutuals provide insurance also against windstorm which generally includes hail damage to the property in question. The windstorm insurance thus provided amounts to about 3½ billion dollars, and roughly another 3½ billion of such insurance is provided by 65 specialized farmers' mutual windstorm insurance companies - most of them in the North Central States. These specialized windstorm mutuals in most cases work in close cooperation with the generally smaller and more numerous farmers' fire insurance mutuals of the State or district in which they operate. The average annual cost of this windstorm insurance in farmers' mutuals has been about 13 cents per $100.

No comprehensive data are available on the amount of fire or windstorm insurance that farmers have in capital stock insurance companies or in general mutuals. In the case of fire insurance the amount has been estimated at about half that carried in the farmers' mutuals. In the case

of windstorm insurance the amount carried in stock companies may compare somewhat more favorably with that carried in farmers' mutuals, since a substantial number of farmers with fire insurance in local farmers' mutuals carry windstorm insurance in stock companies.

Farmers' fire insurance mutuals are generally somewhat larger as well as much more numerous in the Northern States than they are in the South. Partly because of the absence of farmers' insurance companies in much of the South and partly because the cost of available fire insurance for farmers in stock companies is very much higher in the South than in the North, a substantial percentage of southern farmers carry their own fire risk as well as their windstorm risk, unaided by insurance from any source. In some parts of the country, notably in the far West, the windstorm hazard is so relatively light that it is rarely insured against by farmers. Sundry minor hazards to farm property such as falling aircraft, motor vehicles, explosion, riot, and smoke damage, are covered to an increasing extent in connection with fire insurance by farmers' mutuals as well as by other mutuals and stock companies. Generally this involves an added charge, though some of the farmers' mutuals have thus broadened their coverage without increasing their rates.

Insurance of livestock, other than against fire, lightning, windstorm and hail, is carried by very few farmers in this country. In other words, the risk of loss of farm animals by disease or accident is usually borne entirely by the owner. Such comprehensive livestock insurance as exists is largely on the books of a single livestock insurance company of the capital stock type and some half a dozen small and scattered farmers' mutual livestock insurance companies.

In the case of growing crops the only risk that has hitherto been generally insurable is that involving damage or destruction by hail. The amount of crop hail insurance carried by farmers varies greatly from year to year and to some extent from one region to another. In years with good crop prospects when prices also are good, protection against hail loss is not only readily bought by many farmers but sometimes actively sought. The crop hail insurance carried by farmers in this country has in no year reached more than about half a billion dollars, and therefore at the most has represented only a small percentage of the crop values at stake. Crop hail insurance is written by many of the capital stock fire insurance companies, by some 25 farmers' mutual hail insurance companies, and by State hail insurance funds or departments in North Dakota, Montana, and Colorado. The capital stock companies have the bulk of this business.

General crop insurance covering against all or essentially all hazards mainly or entirely beyond the farmers' control has been attempted by several insurance companies, most of them capital stock organizations. These experiments have been discouraging to the companies; no such insurance from these sources, except perhaps in scattered special instances, is now available. During the years 1939 to 1943 the Government, through a Federal Crop Insurance Corporation, provided such growers as applied for it general or all-risk crop insurance on wheat, and during 1942 to 1943 on

cotton. Early in 1944 Congress decided against the continuance of this program. Some summary data bearing on this insurance is given in the appendix to this Review. Unless this action of Congress should be reversed, wheat growers and cotton growers, in common with the producers of other crops, will again be obliged to bear their own crop-production risks except for possible insurance against loss by hail.

The risk involving oversupply and unremunerative price for farm products is one beyond the proper scope of insurance as the term is here used. This risk must perhaps permanently be borne by the individual producer with such assistance or support as may be obtained from broad Federal policies and measures.

Liability Insurance

The various risks of farmers arising from potential liability and possible judgments against them by reason of personal injury and property-damage to others are, in the great majority of cases, borne by the individual farmer without insurance protection. Only in the case of liability associated with automobiles and trucks is any substantial percentage of farmers protected by insurance. Those now having such protection may approximate 40 percent of the farmers who own motor vehicles, although available data and estimates, most of them several years old, point to a percentage of about 35. Of the farmers who employ more or less hired help only a very small percentage have either employers' liability or workmen's compensation insurance. An even smaller percentage of farmers as a group carry public liability insurance covering potential claims for injury or damage to members of the public, that may be caused by the farmer's livestock or his property of any kind other than his automobile or truck. No satisfactory basis for even crude estimates of these minor percentages are at hand.

Automobile and the other forms of liability insurance are available from a relatively small but increasing number of farmers' mutual casualty insurance companies as well as from capital stock and general mutual casualty companies. Some progress is being made in combining under more comprehensive policies two or more of the kinds of liability protection that farmers need, with some resulting saving in the cost of protection. Generally speaking, this type of protection for farmers, except for their motor-vehicle liability, has been given very meager consideration either by the farmers themselves or by insurance interests. But the more important general farm organizations, such as the Farm Bureau, the Grange, and the Farmers Union, are increasingly active in many States in providing their members with casualty insurance facilities of the cooperative or mutual type and in inducing members to use such facilities. About a dozen of these farmers' casualty mutuals, including a few that are not promoted or controlled by general farm organizations, have built up substantial memberships as well as financial assets, but this has occurred largely in the automobile departments of these companies rather than in any department that provides either employers' or public liability insurance.

Personal Insurance 2/

In the matter of risks pertaining more directly to the individual himself - notably premature death, disease, accident, or disability from any cause - farmers carry them with little or no insurance more generally than is true for the urban population. This is at least partly because of the isolation of the farmer coupled with his status as an independent operator. The former causes him, as an individual prospect, to be less frequently exposed to insurance salesmanship, and the latter makes it difficult to apply to him the various forms of group policies that account for an increasing percentage of the personal insurance of the urban population.

Based on scattered surveys of farmers' incomes and expenditures, often referred to as "cost-of-living studies" and on other available information, it may be estimated that the farm population as a group carries an aggregate amount of life insurance which on a per capita basis would be less than a fifth of the per capita life insurance for the United States population as a whole. 3/ A large percentage of those living on farms have no life insurance of any kind; and those who have it, even among the heads of families, often carry little more than enough to cover the burial expenses at the death of the insured.

The percentage of farm families having health and accident insurance, hospitalization insurance, or any form of insurance protection against personal contingencies, other than death, is again decidedly small. Based on available data, 10 percent would seem a liberal estimate for the proportion of heads of farm families that have any insurance of this character and for the entire farm population the percentage would naturally be much smaller.

One further reason for the limited use of insurance protection by farmers, with special reference to life insurance, may be cited. As a rule farmers have opportunity as well as need for frequent and substantial investments in their own business. Therefore they generally have less need than most urban people for forms of life insurance that involve saving and endowments as distinguished from those that are more largely directed toward the protection of dependents in the event of the insured's premature death.

2/ The grouping or classification of insurance coverages here used - property, liability, and personal insurance - seemed more useful for the purpose at hand than the more widely used classification of fire, casualty, and life insurance. In the latter classification "fire insurance" includes the so-called allied lines of windstorm, hail, explosion, and various other hazards affecting inanimate property; and "casualty" includes numerous types of coverages beside liability forms. Livestock insurance, for example, is considered a casualty form.

3/ For an analysis of farm insurance data obtained in one of the most comprehensive surveys of consumer incomes and expenditures, see Agricultural Finance Review for November 1940, pp. 22-33.

Such personal insurance as farmers have is obtained mostly from so-called old-line insurance companies, organized either on the capital stock or the mutual plan, doing business chiefly in urban areas. But in this field, as in casualty insurance, scattered farmer-owned and controlled insurance companies are active. Some of these companies have been sponsored by State units of the general farm organizations. Others have been formed by groups whose primary business is cooperative marketing of farm products or cooperative purchasing of farm supplies. In some instances, only members of the sponsoring organization may obtain insurance, whereas in others the insurance facilities provided are open to the public in the State or area of operation. In States or localities in which insurance companies of this type are active, the percentage of farmers who have some kind of personal or casualty insurance has substantially increased. Explanations are the reduced cost at which insurance is generally offered and the question of loyal support of the parent organization of which many of the farmers are already members.

Comments and Conclusions

Only against the more prevalent or threatening hazards affecting tangible property, other than livestock and crops, do a majority of farmers have the insurance protection that a reasonable prudence would suggest. Facilities for insuring such tangible property are in most instances technically available, except in the case of growing crops which are generally insurable only against hail. But availability on stipulated terms means little if the rate or cost, for any reason, is so high as to be practically prohibitive. This is true of certain forms of insurance for tangible farm property and of some of the forms of casualty and personal insurance for farmers that capital stock companies and general mutuals offer on quoted terms.

Commercial rates for fire insurance on farm property in some of the Southern States, for example, reach $5 or more per $100 of insurance per year for certain types of farm buildings. Protection against claim by an employee for injury may carry a minimum rate so high that the cost of this protection to the farmer who hires only a little seasonal help may exceed the wages he pays for the help. In such instances insurance may be technically available but from a practical standpoint its purchase may represent a form of extravagance in which the farmer cannot afford to indulge. In fact, if the typical farmer were to buy all the forms of insurance available to him at existing rates and in amounts sufficient to cover his risks, the premium outlay required would bankrupt him, rather than safeguard his solvency. Only if insurance protection were available at a rate corresponding to the net loss-cost in providing protection for him and for others with similar loss-probability could the farmer wisely attempt to insure against his every risk.

With insurance loss-costs weighted first in many instances to care for faulty underwriting and adverse selection, and secondly to care for operating expenses amounting in many forms of insurance to 50 percent or more of the premium charged, the farmer can wisely provide himself only with those forms that protect against risks involving serious threats to

his economic safety and solvency. His numerous less serious risks that may involve relatively frequent but at the most moderate losses, and particularly those that are subject in substantial measure to individual control, he can normally carry himself with less threat to his economic welfare than would be involved in paying the required premium for insurance protection.

On the other hand, those farm risks that involve the threat, even though relatively remote, of severely burdensome or unbearable losses are wisely insured against by farmers, although the cost may involve some loading for adverse selection as well as a substantial loading for necessary operating expenses. If insurance against any such risks cannot be obtained through existing insurance facilities at a cost that bears a reasonable relationship to the protection needed and sought, farmers should provide their own specialized insurance facilities through cooperative action, as a large percentage of them have already done in the case of some of their risks.

In concluding this attempted summary of insurance and the farm-risk problem, it may be pointed out that two separate trends in insurance coverages for farm risks, as well as for urban risks, are in evidence. One is toward the inclusion, with insurance protection against heavy or burdensome losses from a stipulated hazard, of all minor or trifling losses from the same hazard. Such inclusion adds needlessly and disproportionately to the cost of needed protection. In many instances the cost of loss adjustment alone equals or exceeds the indemnity recovered by the insured.

The other current trend is toward an extension of the protection provided in a single policy to two or more related hazards against which insurance is really needed and that formerly were written separately, if at all. Examples are: Fire insurance for buildings that includes protection against explosion, falling aircraft, and other hazards; employers' liability insurance coupled with public liability under one policy; life insurance in combination with sundry other forms of personal insurance. This trend, which simplifies the buying of needed insurance and makes possible a reduced loading of the premium for operating costs, merits commendation from all buyers of insurance. Especially is it to be appreciated by the farmers who have a generally limited income and an urgent need for insurance protection against a wide variety of potentially serious risks which are largely or entirely beyond their control.

Only with efficiently and economically managed insurance facilities and with the coverages limited so far as practicable to the relatively few but burdensome losses that occur in spite of the insured's sincere efforts to improve his risks, can the forms of needed and available insurance protection all be brought and kept within the reach of the typical farmer. To attain such a goal requires a broadminded public-interest viewpoint on the part of insurance management. It requires also a broad and farsighted attitude on the part of farmers toward insurance as a source of indemnity for potential major and unavoidable losses, rather than as a source of compensation for all losses from hazards insured against, including the relatively numerous minor losses often due primarily to carelessness and in any case insufficient in amount to justify the application of insurance principles and procedures.

AGRICULTURAL CREDIT AIDS: A SUGGESTED APPROACH TO AN APPRAISAL OF COSTS AND BENEFITS

Donald C. Horton 1/

Federal credit aids for agriculture, like many other Federal activities in relation to the farm economy, receive both warm praise and severe criticism. One important reason for these widely divergent views is to be found in the incompleteness of much of the basic information needed to evaluate the social costs and social benefits involved in such Government action. This paper attempts (1) to characterize very broadly the changing relations of the Federal Government to agriculture during the interwar period as indicated by the policies and programs adopted in relation to agricultural credit, and (2) to direct attention to the kinds of economic analysis needed as a foundation for any systematic evaluation of credit aids as instruments of agricultural policy. Although emphasis in this paper is largely on credit aids for agriculture, it is believed that the suggested approach will apply in part at least to the study of other Federal activities in behalf of agriculture.

Increasing Complexity of Federal Credit Aids in Interwar Period

Governmental aid to agriculture associated with financing of farm ownership and operation is not entirely a development of the last few decades. 2/ But before the establishment of the Federal Farm Loan System in 1917, agricultural credit problems were treated by the Federal Government mainly as aspects of the more general field of national monetary and credit policy. With the establishment of that system, and the intermediate credit banks a little later, a new approach was made by the Federal Government to rural credit problems. General monetary and credit reforms of the interwar period continued to have some agricultural credit aspects, but Federal agricultural credit policy came more and more to be associated with federally sponsored credit institutions and Federal credit agencies operating largely separate from the private credit system.

1/ Principal Agricultural Economist.

2/ An abundance of land resources and limited capital for its exploitation provided a fertile field during most of our national history for many and diverse movements to obtain aid for farmers in the financing of farm ownership and operation. Most of the early attempts to bring about monetary and credit reform derived support in greater or lesser degree from the desire of agriculture for better financing arrangements. Our early experiments with land-secured note issues, the "free banking" movement before the Civil War, the "greenback" movement, the struggle over silver, and the long campaign for currency and banking reform culminating in the enactment of the Federal Reserve Act, all received support from demands for better rural credit facilities.

In the period of over a quarter of a century following the enactment of the Federal Farm Loan Act, the relations of the Federal Government to farmers in connection with financing of farm ownership and operation have become progressively more complex. Emphasis in the early years of this period was chiefly on Federal sponsorship and promotion of long-run improvements in agricultural credit facilities, typified by the Federal and joint stock land banks. But with the unstable economic condition after 1920, particularly in the 1930's, and with increased recognition that agricultural problems are of major national significance, considerable emphasis came to be placed upon provision of emergency and other special-purpose credit facilities.3/

In the depression years of the 1930's, the operations of emergency agricultural credit agencies became also an integral part of a broad national monetary and credit program directed toward public objectives reaching far beyond the strictly agricultural aspects of the national recovery problem. Support given to the credit system as a whole through the extensive refinancing of farm mortgages and other farm debts by the Federal land banks and Federal Farm Mortgage Corporation was widely recognized as a distinct public service. Moreover, it was widely recognized that other special-purpose credit programs, including those to make loans to farm families in a weak financial position, not only gave direct financial assistance to individual borrowers but also, in the process, made available additional purchasing power which indirectly increased the demand for goods and services. In fact, a part of the justification for the special-purpose loans was found in the widespread public benefits expected from the increased flow of purchasing power. That these several agricultural loan programs operated apart from the commercial banking system did not prevent them from having significance for the credit system as a whole.

The changes in the relations of the Federal Government to agricultural credit in the 1920's and 1930's can be described only in part, however, in terms of the greater emphasis given to the provision of emergency and special-purpose agricultural credit facilities. The picture is far from complete if another parallel development, which came to be of considerable importance in the 1930's, is overlooked. This further development can be described as Federal action in behalf of agriculture in which the process of financing farm ownership and operation provided an administrative channel through which Federal grants were made to particular groups. Both direct and indirect grants were made to agriculture and rural people

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3/ In the 1930's the strengthened Federal land banks and the Federal Farm Mortgage Corporation provided both the loan funds and the administrative machinery to carry through a huge mortgage refinancing program. The breakdown of the commercial banking system in many areas led to the establishment of emergency lending facilities to provide production loans. Emergency loans were provided for drought relief and other similar purposes. Loans also became one of the principal means used to promote rehabilitation of low-income farmers. And special-purpose loans were made to promote the tenant-purchase program and rural electrification. Because commodity loan programs have been primarily directed at price raising and price stabilization, they are not considered as credit aids in this paper.

in connection with loan operations. Most explicit and direct was the reimbursement of the Federal land banks and the Federal Farm Mortgage Corporation by the Treasury for interest-rate reductions granted borrowers on their Federal land bank and Land Bank Commissioner loans. Indirect grants are illustrated by loans from Federal agencies which involved prospects of such heavy losses and administrative expenses that substantial costs to the Treasury were to be expected.4/ The assistance in the case of such loans often reached far beyond mere provision of emergency and special-purpose lending facilities on a business basis. The real substance of this assistance varied, but in many cases it consisted of provision of capital for farmer-borrowers at low interest rates and on other terms and conditions that resulted in assumption by the Federal Government of a substantial part of the normal farm-business risks of the borrower.5/

Thus the relations of the Federal Government to agricultural credit in the middle 1930's involved a number of interrelated and overlapping public objectives often present within the same credit program. The earlier objective of promoting long-run improvements in agricultural finance arrangements, largely of a business-efficiency nature, continued to be important in the 1930's. In addition, provision of emergency and special-purpose credit facilities that often involved bolstering the national credit system was a widely recognized public objective. Moreover, direct and indirect financial assistance for individual borrowers - assistance that was widely recognized as being partially in the nature of a Federal grant - was a further objective present in varying proportions in most of the Federal agricultural credit programs.

The total costs to the Treasury of the combined activities of the Federal Government in relation to agricultural credit are sometimes regarded as "agricultural credit subsidies." It is virtually impossible, of course, to define the "subsidy" aspects of these costs as something entirely distinct from other general costs of government, on the one hand, and from "business losses" of federally sponsored credit agencies, on the other hand, that were similar to those frequently suffered by private lenders. But if changes in total costs to the Treasury are taken as a rough measure of changes in the amount of so-called credit subsidy, it can be said that emphasis shifted during the interwar period from credit aids that had their origins almost entirely in provision of more favorable "business enterprise" services for farmers, as exemplified by the early operations of the land banks, to credit aids more largely of a "subsidy" origin made possible by direct or contingent financial contributions by the Treasury.6/ Substantial financial contributions by the Treasury in

4/ Emergency crop and feed loans, special drought-relief loans, and many of the rural rehabilitation loans were of this character.

5/ It does not follow, of course, that assistance of this kind was beneficial to all of the borrowers in the sense that all of them were better off than if no assistance had been given. Borrowers were given an opportunity to use capital on favorable terms. It is only in this narrower sense that all such loans represented assistance.

6/ Any figure purporting to measure the aggregate cost to the Treasury of the combined agricultural credit aids of the 1930's must necessarily be an estimate. Determination of these costs is complicated both by the necessity to estimate loan losses and by the close administrative association of credit-aid programs with other activities. A minimum estimate of these costs would place the figure for the period 1930-39 around $560,000,000.

the 1930's represented an important source of credit aid, although it must be recognized that aid based on these financial contributions was merged with, and often was indistinguishable from, aid that stemmed from the activities of federally sponsored credit agencies in their capacity as business enterprises.

Appraisal Facilitated by Systematic Analysis of Costs and Benefits

It is mostly because credit aids for agriculture in the interwar period represented a merging of federally sponsored enterprise services, both permanent and emergency, with direct and indirect Federal grants, and because these elements were combined in varying proportions in different periods and in different credit programs, that any attempt to appraise this complex field of agricultural aid involves special difficulties. Appraisal is further complicated by the over-all monetary effects of most of the credit-aid programs. Systematic analysis, therefore, becomes an important first step in any attempt to appraise such a complex field of Federal activity.

Such an analysis should seek to provide an improved basis for a comparison of the social costs and social benefits resulting from the several kinds of credit-aid arrangements employed in the interwar period. The social costs, of course, may involve much more than the direct money cost to taxpayers. For example, they may include also certain direct and indirect economic effects of credit aids that place particular groups at a disadvantage.1/ Likewise, benefits are indirect as well as direct. The questions discussed below are intended to indicate the kinds of information needed to describe the costs and benefits of the agricultural credit aids of the interwar period.

1. To what extent have federally sponsored credit agencies conferred benefits on borrowers as a result of their superior efficiency as business enterprises? Any business enterprise, whether public or private, can afford to give its customers more favorable prices or improved products and services if it can reduce its costs. The presumption is that a federally sponsored credit agency will make available to borrowers any benefits made possible by its own business-enterprise efficiencies. Such benefits are little different from those arising from technological improvements in the manufacture of automobiles when the manufacturer finds it in his own interest to pass on reduced costs to automobile buyers.

A number of opportunities for the introduction of enterprise efficiencies into federally sponsored credit agency operations might be cited. Among these are (1) reduction of the cost of loan funds by the development of technical arrangements whereby borrowers' obligations can become the security for credit instruments suited to the standards of the central

1/ To recognize that costs of this kind are present does not involve making judgments regarding questions of equity that may arise. Description of the costs is a preliminary step to any evaluation of net effects of credit aids.

money markets, (2) operation of loan facilities on a wide enough geographical basis to reap some of the business advantages growing out of pooling and diversification of risks, and (3) the development of loan appraisal techniques and other lending practices that reduce loan risks and thereby reduce the costs growing out of loan losses. All such potential enterprise efficiencies may be achieved in some degree, of course, also by private lenders.

It is difficult, however, to distinguish reductions in credit costs that result from pure enterprise efficiencies from those reduced costs and improved services that are traceable to governmental action of one kind or another. For example, the mere sponsorship of a credit agency by the Federal Government, coupled with assumption of responsibility for its supervision, gives the credit agency's obligations an improved standing in the investment market. Moreover, the Federal Government may permit credit agencies under its sponsorship to operate over a broad geographical area, a possible advantage not available to all private lending institutions.

Federally operated credit agencies can extend credit at times when other lenders are unable to do so, an advantage of peculiar importance in times of general credit stringency. But it may be questioned whether this is evidence of enterprise efficiency. Ability to lend under such circumstances is based on the strong credit position of the Federal Government which in turn rests on its power of taxation.

Over against business advantages of Federal sponsorship or Federal operation, however, it is necessary to set any business disadvantages arising out of these relationships of a credit business to government. A federally sponsored credit institution may be expected, for example, to provide loan facilities in areas in which the volume of acceptable loans is too small for efficient business operations. These and other obligations arise out of the tendency for such institutions to take on some of the characteristics of governmental agencies furnishing services believed to be in the public interest despite the inability of particular recipients to bear the full cost of the service.

Not to be overlooked, therefore, are the possibilities that particular federally sponsored credit institutions may be relatively inefficient when regarded solely as business enterprises, particularly when they combine business services with other governmental services. Regarded solely from this viewpoint, their costs of operation may be much higher than those of competing lenders. Nevertheless, regarded as quasi-public agencies performing services in addition to those of a lending business, they might still be considered well worth their cost to taxpayers. The "efficiency" of these credit agencies as business enterprises is very hard to separate from their "efficiency" as administrative agencies of government. This factor alone is likely to lead to divergent appraisals of Federal credit aids for agriculture.

2. <u>To what extent have benefits to borrowers had their origin in financial contributions by the Treasury?</u> A credit agency can confer special benefits on borrowers only if it can develop superior enterprise efficiencies or if it is not under the obligation to cover all of the

usual costs of lending out of its earnings. In the evaluation of any credit-aid arrangement, therefore, it is pertinent to inquire how much it costs the Treasury.

Benefits to borrowers may be large despite low costs to the Treasury, as when substantial enterprise efficiencies are supplemented with small contributions from the Treasury. There is a presumption that this was true for the Federal land banks in the 1920's. On the other hand, such benefits can be very small despite large contributions by the Treasury. A credit agency may be so inefficient as a business enterprise that a large part of the Treasury contributions are needed to absorb excessive operating expenses.

Since the substance of any benefits received by borrowers is likely to be the same regardless of the circumstances giving rise to these benefits, it is necessary to consider the costs to the Treasury as one aspect of the entire operations of a credit agency. These costs may be the result of an avowed policy of subsidizing particular kinds of credit, or they may be the result of business losses not unlike those often suffered by private lenders. Some of the costs to the Treasury may be regarded also as arising out of pioneering efforts in the credit field that private lenders are unable or unwilling to undertake. Nevertheless, whether particular credit-aid arrangements are in the public interest depends partly on what they cost taxpayers as well as on the direct and indirect benefits that flow from them.

3. <u>What is the substantive nature of the benefits made available in connection with the financing of agriculture?</u> Different credit-aid programs have extended different kinds of assistance, and the substantive nature of the assistance rendered by the same institutions has changed with time. Basic to any appraisal of this field of Federal activity, therefore, is a better understanding of the real substance of the contribution made to borrowers by the credit aids employed in the period under study.

For example, do the benefits for borrowers consist primarily of reduced costs to farmers of conventional kinds of credit, or do they consist of availability of loans so hazardous for the lender that terms and conditions suitable to the risks and other lending costs would seem prohibitive to the borrower? The former kind of aid arrangement merely reduces the financing expenses of farming, whereas the latter often permits some farmers to use borrowed capital who otherwise would be largely excluded from borrowing. Extremes in this respect are illustrated on the one hand by Federal land bank loans of the 1920's and on the other by some of the emergency crop and feed loans made in the same period in areas in which farmers' own capital was almost wiped out by natural disasters. The latter types of loans have frequently involved furnishing credit on terms that amounted to assumption by the Federal Government of a substantial part of the farm-enterprise risks normally carried by the borrower.

Assistance takes the form also of liberalized collection policies on loans already made, adjustment of the terms and conditions of loans, and special managerial and technical assistance furnished to borrowers.

Private lenders as well as borrowers may also receive substantial benefits when they are able to shift loans to a Federal agency and thereby get their assets into more liquid form. In this respect the benefits are similar to those arising out of central banking operations.

Analysis to determine the substantive nature of the benefits conferred on farmers and others is especially important when consideration is given to potential indirect effects of the credit aid. For example, credit assistance that takes the form of reduced financing expenses may have much the same indirect effects as the introduction of cost-reducing farm machinery and other technological improvements. But assistance that takes the form of putting capital into the hands of farmers who otherwise would not be able to borrow involves direct allocation of capital within agriculture. The latter kinds of assistance probably have more immediate effects on the structure of the agricultural economy than do those that operate only through general cost reduction on conventional types of agricultural credit.

4. <u>What economic groups are the principal recipients of the benefits?</u> The first three questions raised above can be phrased briefly as follows: (1) To what extent does the credit aid have a business-efficiency origin? (2) To what extent does it have its origin in financial contribution by the Treasury? and (3) What is the specific nature of the benefits conferred on borrowers? A fourth basic question is: Who receives the benefits? Do the benefits go in the first instance mainly to farmers in a fairly good economic position, to those in a rélatively weak position, or indiscriminately regardless of economic position? Is the aid arrangement selective according to type of agriculture, risks involved in farming, or according to other special characteristics of farming enterprises?

One of the questions frequently raised relates to the extent to which the tendency to associate credit aid with the loan operations of particular types of business credit institutions, on the one hand, and with emergency relief and rehabilitation activities, on the other hand, has excluded those borrowers who are too poor credit risks for the one kind of credit aid and too good credit risks for the other. It is apparent, for example, that aid made available through the Federal land banks, the Federal Farm Mortgage Corporation, and the Production Credit System has gone to a quite different group from that associated with emergency crop and feed loans and FSA rehabilitation loans. The organizational structure and plan of operations of the land banks and the production credit associations help to determine the sectors of the agricultural credit field in which loans can be made. Also, the association of credit aid with emergency relief and rehabilitation activities gives a high degree of selectivity to the initial benefits.

5. <u>What are the prospects that benefits to borrowers become diffused through market and other processes?</u> To appreciate the full significance of any Federal aid arrangement, it is necessary to look beyond the group receiving it in the first instance. Just as taxes are not always paid ultimately by those on whom they are levied, so also benefits that are conferred initially on particular groups may in time become rather widely diffused to others.

It is reasonable to expect that the extent to which the benefits of credit aids will become diffused will depend on several factors, including the social and economic characteristics of the initial recipients, the economic conditions prevailing at the time, the extent to which special credit treatment is made the occasion for special controls, and the prospective duration of the special credit-aid arrangement.

No more complete answers to questions related to the diffusion of benefits are to be expected than in many other fields in which economic processes are very complex. Yet this aspect of credit aids appears to be so crucial that a start should be made in the analysis of such problems. For example, if particular credit benefits tend to be capitalized for the most part into land values, and therefore paid for in advance by new buyers of farms, their net effect on agriculture may be quite different from that which appears on the surface. Likewise, if cost-reducing aids are quickly reflected in lower prices for consumers, any special benefits for agriculture may be transitory.

6. <u>What collateral economic burdens are imposed on others both within and outside of agriculture?</u> Aid to particular groups which improves their economic position may put others at a disadvantage. These collateral burdens are a part of the social costs of credit aid. For example, aid to particular groups that gives them an advantage in financing the buying of farms may put others at a disadvantage in buying farms. And credit assistance to relatively inefficient farmers, even though justified as relief under the circumstances, may nevertheless influence the total supply of particular farm products and, therefore, the incomes that other farmers are able to obtain. Direct competition of federally sponsored credit agencies with private lenders may narrow private lenders' fields of operation or force them to give more advantageous loan terms to their borrowers. An appraisal of the several credit aids, therefore, needs to take into account not only the benefits for some individuals but also the competitive burdens imposed on others.

As with the question of the shifting of benefits, the burdens imposed as the result of credit aids are difficult to isolate among the many forces at work at any given time. One reason lies in the tendency for most of the direct benefits to be confined in the first instance to relatively small sectors of the agricultural economy, whereas the collateral burdens are likely to be distributed in infinitesimal amounts among a very large group.8/ Yet the cumulative effect of these burdens may, over time, have significant effects on the relative positions of different groups in the national economy.

7. <u>What long-run effects do the credit aids tend to have on the structure of the agricultural economy?</u> A still broader view poses questions relating to the direction in which the several credit aids influence the social and economic structure of the rural economy. What effects do

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8/ The wide distribution of competitive burdens doubtless is one reason why this aspect of governmental aid is frequently left out of account in the appraisal of economic effects.

the several kinds of aid have on the ownership and tenure pattern, on the size of farm enterprises, on the over-all efficiency of agricultural production, and on the stability of farms as business enterprises? Nonagricultural groups also are interested in many of the effects on agriculture of this character; the efficiency and stability of one sector of the economy affects the efficiency and stability of other sectors.

An analysis of the effect of credit aids on the structure of agriculture is especially important because benefits to particular groups and improvement of particular aspects of rural life may be obtained at the expense of other unwanted longer-run effects on the structure and operations of the agricultural economy. Aid to needy groups or those engaged in risky types of agriculture which enables these groups to improve their situation may nevertheless involve hidden costs in the form of perpetuation of inefficient or inherently unstable agricultural enterprises. It is well recognized by students of taxation that particular taxes have less disruptive effects on the economy than others. It seems probable also that particular aid arrangements have less detrimental collateral effects than others. Analysis of the secondary effects of credit aids may even suggest that some phase of the economic process other than agricultural finance is a better point at which to introduce Federal aid.

8. How well are the several credit aids adapted to serve as bases for public control needed to implement general agricultural policies? The several credit-aid arrangements need to be considered not only as means for the granting of aid but also as possible channels through which still other objectives sometimes involving a degree of Federal control may be achieved. Aid extended by a credit agency inevitably carries with it potentialities for economic control over those receiving the aid. A degree of control is implicit in a loan contract. The Federal Government as a strategic lender on favorable terms can exercise economic control just as can a private lender occupying a strategic economic position in the financing field. Indeed, it is the control counterparts of most governmental aids which are frequently the subject of adverse criticism. But if need for Federal control in the public interest is recognized, credit aids should be considered along with other relations of government to agriculture as possible bases for the exercise of that control.

Important in the consideration of credit aids from such a viewpoint is the question whether the group receiving special credit treatment is the same group whose actions are most likely to need control in their own or the public interest. For example, assuming the desirability of a national program of soil conservation, can aids associated with credit be made to influence the particular groups whose soil-management practices most need to be improved? To determine whether particular credit-aid programs can also serve as one of several bases for public control requires an analysis of the economic relations between government and rural people resulting from the credit aid. To what extent such control is in the public interest, of course, raises still other issues relating to national agricultural policy as a whole.

Particular Credit Aids in Relation to Agricultural Policy as a Whole

The approach to the study of credit aids suggested above is analogous in some respects to that frequently followed in the appraisal of particular taxes. In fact, many of the appraisal problems are analogous to those that arise in the field of taxation. Governmental aids in some respects are taxes in reverse. The nature of benefits, their distribution, tendencies for shifting of benefits and imposition of collateral economic burdens, effects on the structure of the economy, and implication from the viewpoint of public control of economic activity, all are aspects of aids that find counterparts in the study of taxation.

In still other very important respects the student of credit aids can well take a leaf from the notebook of tax analysis. Before any final evaluation of a particular tax can be made, it is necessary to relate it to the tax system as a whole. Similarly, particular credit aids need to be considered both in relation to the whole family of agricultural aids and in relation to still other aspects of agricultural and national credit policy. Other fields of agricultural aid have included research and educational activities, assistance in carrying out soil-conservation practices and land-development programs, financial sponsorship of special insurance arrangements for particular crops, direct grants associated with adjustment of production, direct and indirect grants associated with raising and stabilizing prices of farm products, and various special services and direct grants associated with relief and rehabilitation of low-income farmers.

It should be emphasized, therefore, that even after information is marshalled to give as complete answers as possible to questions such as those raised above, many other still broader questions and issues would need to be considered in any final appraisal of credit aids. It is one thing to describe separately the social costs and social benefits of particular kinds of government action. It is quite another problem to appraise the social costs and the social benefits in terms of broad public-policy criteria. To a very considerable extent final decisions on such questions must be made through established political institutions, although economic analysis can contribute measurably to a better understanding of the considerations entering into the decisions.

SMALL-POLICY LIFE INSURANCE FOR FARMERS

Ralph R. Botts 1/

Small-policy life insurance, of which so-called industrial insurance is the best-known type, was first developed among urban wage earners, and the bulk of this insurance is still carried by this class of insurance buyers. In recent years, however, life insurance in small amounts has had a noteworthy development among farmers as well as urban dwellers, particularly in some of the Southern States. This development in rural areas merits special attention because farmers as a group have hitherto carried relatively little life insurance of any kind in comparison with the urban population.

The primary objective of all forms of life insurance in small amounts is to provide a fund that will meet the expenses incidental to the death of those who are insured. Under present customs regarding funerals, voluntary neighborhood assistance at such times has seemed increasingly inadequate, and the mere possibility of a pauper's burial is generally looked upon with abhorrence.

Assessment-Life, Mutual-Aid, Beneficial and Burial Associations Paying Benefits in Cash

Past experience of life insurance associations of the assessment type, which at one time were relatively numerous, has been unfortunate. In many States such associations are no longer permitted to organize. The principal difference between insurance offered by these associations and that offered by old-line or legal-reserve companies, which also write industrial insurance, is in the matter of reserves.

When writing "whole life" insurance, the legal-reserve company charges each member of each individual age group a level premium that is based on age at entry, and is calculated to be sufficient, with interest, to pay all future claims arising within the group. Mortality increases each year (after age 10) so that the calculated level premium is more than enough to pay death claims in the early years. The surplus, called a legal reserve, is set aside to be augmented with interest and used in the later years when the level premium is no longer sufficient to pay current death claims.

1/ Senior Agricultural Economist.

The assessment-type associations, on the other hand, rely on their power of increasing their assessments either in amount or in number, in place of reserves. Bringing new members into the association often does not prevent a pronounced increase in the average age of the membership. The resulting mortality rate, with the mounting assessments required to meet death claims, have caused the dissolution of many such associations. Others have been merged into stronger organizations, or their rates have been placed on a sounder basis.

Insurance Organizations in the South Paying Benefits in Funeral Goods and Services

The recent development, which has attained particular importance in the South, involves a form of small-policy life insurance which offers, through what are known as burial associations or companies, insurance certificates payable in funeral goods and services. In most instances these associations have been organized by undertakers as a means of protecting themselves from loss from uncollectible accounts or as a means whereby they might increase their proportions of the available funeral business. In spite of opposition from various sources, the number of burial insurance organizations and their memberships have increased rapidly since about 1936. There has been an apparently natural favorable response by the public. Moreover, when one undertaker forms an association all the other undertakers in the vicinity find it necessary to do likewise and to sell the insurance aggressively in order to get their share of funeral business. At first the membership consisted primarily of poor people but more recently many people in more favorable circumstances have accepted the insurance, and farm people in particular appear to want it.

The membership in these associations in Arkansas, on June 30, 1943, equaled 84 percent of the entire population as given for the State in the 1940 Census. Corresponding percentages for other States as of December 31, 1942 were: Mississippi, 65 percent; Alabama, 67 percent; North Carolina and Tennessee, 39 percent each; and Texas, 13 percent. Membership figures for Oklahoma are not available at present. A large proportion of the members of these organizations are farmers. Officials of practically every one of 26 associations that were asked for information on this point, estimated that farmers constituted more than one-half their total membership. The most common estimate was that anywhere between 65 and 85 percent of the assessment notices were mailed to R.F.D. addresses.

These insurance organizations are regulated to some extent and are examined by some public authority in all States except Tennessee. Most of the undertakers in Arkansas, Louisiana, Mississippi, North Carolina, Tennessee, and Texas and (probably) Oklahoma have their own associations, and undertakers in Alabama either have their own associations or have contracts with "service insurance" companies to perform the funeral services connected with the settlement of their claims. These service insurance companies are legally independent of funeral establishments. Data with respect to the operations of these burial organizations - which pay benefits in funeral goods and services - are given, by States, in table 1.

Table 1.- Burial-insurance organizations operated by undertakers, and service-insurance companies, by States, (all of which pay benefits in funeral goods and services) with selected operating data

State 1/	Data for year ended	Number of associations or companies	Membership	Insurance in force	Collected from members	Benefits paid	Membership as percent of 1940 State population
		Number	Number	Dollars	Dollars	Dollars	Percent
Alabama	12-31-42	29	1,891,000	189,106,471	9,841,788	1,692,009	67
Arkansas	6-30-43	150	1,630,000	2/238,863,000	2,111,760	1,611,960	84
Louisiana	12-31-42	3/ 40	87,185	4/	336,474	110,407	4/
Mississippi	12-31-42	114	1,423,143	139,780,833	2,390,811	4/	65
North Carolina	12-31-43	303	1,397,917	4/	4/	1,065,000	39
Tennessee	12-31-42	5/200	1,135,373	4/	1,166,950	981,468	39
Texas	12-31-42	319	857,537	4/	2,163,520	1,180,576	13

1/ Data for Oklahoma not available.
2/ Based on average claim paid of $164.48.
3/ Includes 14 organizations for which operating data are not available. (Operating data are for 26 organizations.)
4/ Data unavailable.
5/ Data for 111 associations used to estimate figures for the 200 associations which are believed to exist.

Based on published or unpublished data provided by State supervisory authorities.

In Georgia, where the operation of such organizations is prevented by a requirement that insurance benefits must be paid in cash, 150 undertakers have organized and now own the stock of an industrial, legal-reserve life insurance company. Their organization acts as its agents in selling industrial insurance in $125 denominations. Upon a death, the face amount of the policy is paid to the beneficiary in cash, but probably most beneficiaries use the services of the undertaker who sold the insurance and collected the periodic premiums.

Related Developments in Other Parts of the Country

Before taking up in somewhat further detail the operations of these organizations in the South, which pay benefits in the form of funeral goods and services, a brief summary of kindred developments in other parts of the country seems appropriate. Prominent among these developments are: (1) Group life insurance in small amounts offered as patronage dividends by cooperative purchasing organizations, (2) cooperative burial associations, as subsidiary co-ops of parent purchasing and consumer cooperatives, and (3) an agreement made by a farm organization with certain undertakers whereby special funeral prices are obtained for members.

Patronage Group Life Insurance

Two insurance companies that are cooperatively owned, one operating in Minnesota and the other in Wisconsin, specialize in group life insurance for members of cooperative organizations. At least 41 farmers' purchasing cooperative associations in these two States now have arrangements whereby patronage group life insurance is provided for members.2/ Another life insurance company, sponsored by a farm organization, has made similar insurance available to county cooperatives in Indiana which are affiliated with this farm organization.3/

Under such an arrangement between the cooperative association and the insurance company, members of a cooperative are given automatic life insurance based on the amount of their purchases through the cooperative during the previous year. No physical examination is required and members at any age are insured. As mortality rates increase with age, the amount of life insurance obtained on the basis of a given volume of business with the cooperative varies with the age of the member.

2/ For additional information see: The Cooperative Builder (Superior, Wis.), Sept. 24, 1938; Monthly Labor Review, Bur. of Labor Statistics, Wash., D.C. Jan. 1939; Midland Cooperator, May 14, 1941, p. 1; and the Cooperative Consumer (North Kansas City, Mo.), March 31, 1944.
3/ FCA News for Farmer Cooperatives, July 1944, p. 4.

Cooperative Funeral Associations 4/

Some 54 associations called cooperative funeral associations were in operation on January 1, 1943. They were located as follows: Arizona, 1; Illinois, 3; Iowa, 12; Minnesota, 22; North Dakota, 3; Oklahoma, 1; South Dakota, 6; and Wisconsin, 6. These associations do not collect premiums periodically from which to pay for the funerals of members. They merely provide their members with the opportunity to buy the funeral services from the association at a reduced price. The associations of this type in Arizona and Oklahoma and 8 of those in Minnesota buy their caskets cooperatively and employ local undertakers to conduct funerals. The remaining associations maintain funeral homes and sell a complete funeral service to members.

Most of these associations are located in small towns and villages. Of those more recently organized associations each operates in a whole county or more, whereas the earlier associations limited their membership to a radius of 20 to 35 miles around the town where the association's funeral home was located. To become eligible to buy the services of one of these funeral associations, an individual belonging to the parent cooperative must join the funeral association and pay a membership fee. This fee is usually $5 or $10. In most cases the membership certificate entitles the family to buy, at the special rates of the association, funeral service for any member of the family. The majority of the associations set the price of funerals as low as reasonably possible, and the average cost in 1939 was $166.

Collective Bargaining for Funerals

A farm organization in Washington State has made an agreement with the State funeral directors' association whereby private undertakers who ratify the agreement provide complete funeral services to members of the farm organization at reduced prices. Any member of the farm organization may take advantage of the agreement, which specifies the kind of service and type of casket to be used in any of four different-priced funerals from which a selection may be made. Approximately three-fourths of the undertakers in the State have ratified the agreement.

At least 6 local mutual-aid associations in the State, operated on an assessment basis, are sponsored by the same farm organization. They enable members to provide the means to meet the cost of their own funerals. When a member dies his family receives the total amount of the previous assessment, minus a few cents per member for administrative expenses. One of these local mutual-aid associations, as an example, has a membership of 240. Average costs were $3 per member in 1943 and benefits averaged $215.

4/ Additional information on cooperative burial associations may be obtained from the Cooperative League, 167 W. 12th St., New York City. Published information includes: Directory of Consumers' Cooperatives in the United States, published by the Bur. of Labor Statistics as Bull. No. 750; Monthly Labor Review, also published by the Bur. of Labor Statistics, Oct. 1931, March 1938, and Nov. 1940; and an article in the American Federationist for May 1940, p. 506

Operating Methods and Problems of Insurance Organizations Paying Benefits in Funeral Goods and Services

Burial Associations and Companies Operated by Undertakers

Two types of burial organizations are operated by undertakers - (1) assessment associations and (2) stipulated-premium companies. The assessment associations may increase either the amount or the number of their assessments for a given year and thus, in effect, increase the rates on outstanding certificates if it is found that assessment income is insufficient to pay claims. On the other hand, the stipulated-premium companies charge a fixed premium with respect to an interval of time, and this premium may not be increased on existing policies.

The stipulated-premium companies collect their premiums monthly, whereas the assessment associations usually make their assessment calls four, six, or eight times a year. An individual association usually levies the same number of assessments each year. If a member pays several assessments in advance, his receipt is for specific assessments (by number) and not for a period of time. Thus the right of making extra levies is always retained.

Though often housed in the same building with an undertaking establishment, the insurance association or company is technically separate from the funeral business. Usually no sign is displayed at the funeral home referring to the burial organization, for it is commonly known among local people that the insurance business exists in connection with the funeral establishment.

A few of the assessment associations have a white and a colored division. This is true in lesser degree of the stipulated-premium companies. A colored undertaker usually has his own association and serves his own race. When a stipulated-premium company has both white and colored divisions, it usually charges colored people higher rates or reduces their benefits since the death rates among the colored people are deemed to be somewhat higher than the death rates of white persons. This appears to be substantiated by experience in industrial insurance.

<u>Membership</u>.- No medical examination is required to obtain insurance, but questions in regard to the age and condition of health of applicants appear on the application for membership. Twenty-five cents is the most common membership fee charged, and such fees usually go to the agent. Women are insured on the same basis as men. Only a few of the larger associations and companies have investigators to check on the applications turned in by agents, which in many instances are incompletely filled out.

Many associations, particularly those which organized late, at first accepted members up to advanced ages, but they have since reduced the acceptable maximum age. Those which still accept relatively old members often require that each such new member bring a specified minimum number of younger members of the family into the association. An association in Tennessee, which at first accepted applicants up to age 80 but which has

since reduced the maximum acceptable age to 59, paid 300 death claims during the 5-year period 1939-43. More than two-thirds of these claims were on insureds aged 60 or over, who would not now be eligible.

In placing emphasis upon quantity of membership rather than quality, an undertaker may perhaps reason that, regardless of the physical condition or age of an applicant, if he gets him "tied to his association," when death occurs he can sell the beneficiary a higher-priced funeral than the certificate provides. Furthermore, an unethical undertaker can raise his prices so that members get very little for their payments. In practice, however, competition among undertakers and general knowledge of the type of funeral furnished by an association tend to prevent unfair practices.

These assessment burial associations have had relatively low rates of lapses among members. This is explained perhaps by the relatively low assessment cost, particularly for the older ages, and by the confidence of the membership in the associations. As a result, the average age of the bulk of the membership in an association tends to increase although new members are being brought in continually. Farmers appear to be particularly inclined to retain their membership and to avoid a lapse. The advancing average age of the membership is likely to become pronounced as an association which has expanded rapidly gets older and the number of available prospects for membership in the vicinity declines.

The average age of the membership of three associations in Tennessee on a recent date was 35, 38, and 39 years. The average age of the members of another assessment association in Arkansas was 32 years. On the other hand, the average age of members of a stipulated-premium company in Mississippi, which issued family policies as well as individual policies, was only 27 years. Under this family policy all the members of a family under 60 years of age are insured at a cost of $1 a month for the family. Other companies with family policies have prescribed limits of 6 or 7 persons per family for the $1 family rate. Bringing in younger members of families along with the older ones, under family policies, obviously helps to hold down the average age of the membership as a whole, but it involves substantial inequities in cost as between small and large families.

<u>Payment of claims</u>.- Each insurance organization offers its own "association funeral," which generally includes a standard casket, embalming, hearse service within 50 or 75 miles, grave clothes or cloak, and in fact everything except the grave plot, opening and closing the grave, and payment of the minister. Ordinarily another undertaker cannot be substituted for the funeral director who operates the insurance organization.

The cost of a funeral is based upon the price of the casket, the "services" being the same for all of the offered funerals. Because of legal or regulatory limitations on the amount for which a certificate may be issued - $100 in North Carolina, Oklahoma, and Tennessee, $150 in Mississippi and Texas, and $300 in Arkansas and Louisiana - the "association funeral" is usually the cheapest, or one of the cheapest, offered by the sponsoring undertaker. There is therefore a strong temptation to try to sell a higher-priced funeral to the beneficiary than the insurance

certificate has provided.5/ The beneficiary must either accept the "association funeral" or buy a better one from the same undertaker. There is, however, keen competition among associations and companies to obtain members, and cheap insurance and better funerals are the inducements offered.

Cost and benefits.- Most of the burial associations in Arkansas, North Carolina, Oklahoma, Tennessee, and Texas are of the assessment, rather than the fixed-premium, type. Notice of assessment is sent by mail and payments are often made in person. Collectors are not ordinarily used. Such associations are characterized by only a few age classes, one of which may cover an age range of 35 or 40 years.6/ Typical age classes, benefits, and rates are shown in table 2 for associations in Arkansas and North Carolina.

Table 2.- Age classes, benefits and rates used by many burial associations in Arkansas and North Carolina 1/

State and age class	Benefit	Assessment rate	Annual premium 2/	Annual premium per $100 benefit
	Dollars	Dollars	Dollars	Dollars
Arkansas:				
3 months-6 years	40	.10	.40	1.00
7-12 years	60	.15	.60	1.00
13-60 years	100, 150, 200, or 300	3/	3/	1.00
61-70 years	do.	3/	3/	2.00
North Carolina:				
1-9 years	50	.05	.40	.80
10-29 years	100	.10	.80	.80
30-49 years	100	.20	1.60	1.60
50-64 years	100	.30	2.40	2.40

1/ All associations in North Carolina are required to use the age classes, benefits, and rates shown for that State.
2/ Assessments per year: 4 in Arkansas and 8 in North Carolina.
3/ Depends on benefit selected.

Benefits for association members in Arkansas between the ages of 3 months and 6 years are $40, and the assessment rate is 10 cents per call. Members entering between the ages of 7 and 12, or younger members who attain age 7, have a $60 benefit until they reach age 13 and usually pay

5/ For example, an association in Tennessee paid 116 benefits during a recent 2-year period, yet the undertaker's records showed that in only 39 of the 116 cases was a "straight" or "association" funeral supplied.
6/ For example, this class may include age groups about as follows: 15-64, 10-59, 13-50, 15-54, 21-60, etc.

at the rate of 15 cents per assessment. Applicants entering at ages between 13 and 60 years, or members of the "7-12" age group who later attain 13 years, may obtain a $100, $150, $200, or a $300 benefit and are usually assessed at the rate of 25 cents per quarterly assessment for each $100 of insurance. Once entered in an adult group a member carries the same benefit and rate through life.

The only change to a higher rate or benefit group in the case of the North Carolina associations is at age 10. All who enter at 10 or above pay the same rates and have the same benefits as at entry.

Stipulated-premium companies usually have more age and rate classes than the assessment associations; hence the cost to the policyholder more nearly follows the mortuary cost to the insurer than is the case with the associations. Most of the burial insurance companies in Louisiana and Mississippi, and the service insurance companies in Alabama, are of the stipulated-premium type.

Flat rates for wide age ranges, or even a rate which is the same for all ages, might be justified if all members of these associations entered at young ages, with the prospect that each will take his turn in helping to carry the assessment load for older persons. But this does not occur in practice. Under the prevailing plans in use members between the ages of about 3 and 50 are bearing a considerable part of the current cost of insuring younger and older members, and in so doing fail to accumulate any reserves to be drawn upon in later years. In some respects this is similar to group insurance, but it has few of the automatic safeguards against selectivity and an advancing average age of membership which are present in group insurance.7/

As the burial association or the company operated by an undertaker usually does not have to pay any rent or officers' salaries it can be conducted at low operating cost. Burial associations in Arkansas are prevented by State regulations from spending more than 20 percent of assessment income for operating expenses. During the last half of 1942 they spent an average of 12 percent. Associations in Oklahoma and North Carolina cannot, by law, use more than 25 percent of assessment income for expenses, and this 25 percent must include the tax imposed in connection

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7/ Under group insurance the total initial premium payable to the insurance company is calculated by adding together the individual premiums arrived at by multiplying (1) the amount of insurance on each employee, by (2) the premium rate at his attained age. From the total initial premium for all ages there is determined an average premium rate per certificate of given amount. Later premiums are computed by multiplying this average premium by the number of units of insurance in force on the insured employees regardless of age. If the group rates vary by age ranges, the calculations are based only on the employees within these ranges instead of on all employees. As the initial calculations are based on 1-year term insurance rates for the attained ages, there are no calculated reserves.

with the maintenance of the regulatory authority, which for the fiscal year ended June 30, 1942, was 2 cents per association member.8/ Although there is no regulatory limitation on the operating expenses of the Tennessee associations, their expenses averaged only 11.7 percent of assessment income in 1942 On the other hand, the burial associations in Texas are permitted to use, and do use, approximately 40 percent of their assessment income as expenses. The service insurance companies in Alabama and the stipulated-premium burial companies operated by undertakers in Louisiana use approximately 50 percent of their premium collections for operating expenses.

Funeral "Service Insurance"

There is another type of funeral insurance company which is not operated by undertakers, but which provides a funeral service for the insured by contracting with undertakers for the performance of such services. In some instances such companies formerly manufactured their own caskets and sold or consigned them to the contracting undertakers for use in the funerals of their insured. This practice has been discontinued for various reasons. In Alabama such companies have been required to establish reserves on policies issued since 1935. This legal reserve is not based upon the amount of benefit stated in the certificate, but on what is evidently considered the average wholesale cost of the funeral, or 40 percent of the insurance. For example, the reserve on a $250 certificate is computed on the basis of $100.

Concluding Comments

The following comments pertain principally to burial-insurance organizations which are operated by undertakers. They apply less to companies which pay benefits in funeral goods and services but which are not operated by undertakers, since such companies are limited chiefly to Alabama where they are required to maintain legal reserves on outstanding policies.

Although the burial-insurance organizations that are operated by undertakers were started mainly for business reasons and not from altruistic motives, they, as well as the so-called service companies, have provided a means whereby people may prepay their own burial expenses. Evidently the number of pauper burials has been reduced.9/ These organizations, as a rule, are operated at low overhead cost and under highly

8/ It was expected that this tax would be reduced in North Carolina to 1 3/4 cents per association member for the succeeding year.
9/ According to reports obtained by the Burial Insurance Commissioner, Raleigh, N. C., from 96 of the 100 county auditors (or treasurers), there were only 51 percent as many pauper burials in North Carolina in 1940 as in 1930, despite the increase in population. In North Carolina a number of county homes pay the premiums for burial insurance on inmates who can qualify. In Louisiana, a colored undertaker said that many white planters in the vicinity paid him premiums on their colored help, though in this case it was principally to have access to the free ambulance service which is peculiar to the burial policies issued in that State.

competitive conditions. The increase in membership suggests that many people believe that through burial insurance they can buy a better and more satisfactory funeral than can be had at the same price in the open market.

The burial-insurance organization managed by an undertaker is a purchaser of funerals for its members, while the undertaker in his primary capacity is also the seller. When the immediate interests of the two businesses conflict, the insurance organization is likely to be disadvantaged in some instances by the undertaker.

If the insurance organizations are to be successful and continue to serve both the public and the undertaker, they must of course be operated on sound insurance principles. This may require more public control over their operations with respect to the acceptability of risks, the rates, and other phases of the business.

It might be expected that, when insurance is sold without medical examination - only a statement of health is required - and when agents' compensation consists of membership fees, the selection of risks would be against an association. Paying salaries instead of commissions to agents might be advisable wherever possible. Furthermore, a requirement that the insurance shall not go into effect for 30 days after date of application (except for accidental death) would seem well justified. This requirement and another - that each association must transmit to the governing authority copies of all applications for insurance and death certificates - are in effect in North Carolina.

The present rating schedules of these associations may be questioned from two viewpoints: (1) Their adequacy to meet probable future claims and (2) their equity as between the insured at different ages.

From the standpoint of adequacy it appears that total future premium or assessment income, as produced by the present rates and frequency of assessment, will not be sufficient in many instances to meet future death claims. This appears to be true in general even of the rates for members admitted at the younger ages. Under present practice, when a member enters one of the adult groups his assessment rate or benefit is not expected to change thereafter. This use of a level premium or assessment rate, without the establishment of appropriate reserves and without due regard for increased mortality in a group whose average age is certain to advance at least for several years following organization, may be the source of much future difficulty. It is true that an association may increase the number or amount of its assessments to meet increased mortality costs, but experience has shown that such a course was disastrous to many assessment life associations of the cash-benefit type in earlier days. The levying of extra assessments tends to cause younger members to drop their insurance and to keep other younger persons from joining, so insurance costs mount still higher for the remaining and generally older members.

The effective remedy for a threatened inadequacy of income to meet obligations assumed, as well as for removing inequities as between members at different ages, would be to adopt a level premium for each age at entry,

so calculated that the premium income together with the interest earned on the reserves accumulated would be sufficient to meet all future claims to be expected in accordance with a relaible mortality table. Legal-reserve life insurance companies have long used such a plan when writing insurance on the basis of an individual policy.

If for operating reasons the retention of rates by age groups is deemed desirable, a modification of the suggested plan would be to adopt a rate for an age group or bracket that is calculated to be enough to pay all claims arising within the group. Although in this case the group rate would not make the insureds at each individual age self-sufficient, the group as a whole would be self-sufficient. Obviously, as the age range for a class is narrowed the insurance under the latter plan approaches that under the first plan, and there will tend to be reserves for the group as a whole in the early years. The objective of adequacy would be attained under the latter procedure. Furthermore, if the age range to which each rate applied were not more than, say, 10 years for adults at the younger ages and 5 years for ages beyond 50, there would be only slight inequities between the insureds within an age bracket.

Farm Transfers.- One indicator of the financial condition of agriculture is the number of farms that change hands by tax sale, foreclosure, or other forced sale. Only 4.9 farms out of every 1,000 farms in the United States were transferred by these means during the year ended March 15, 1944. This represents less than 7 percent of all farm transfers for that year, and is the smallest number of farms changing ownership in this manner since before 1920. In the year ended March 15, 1933, 54.1 farms out of every 1,000 farms changed hands by forced sale of one kind or another. This was 58 percent of all farms transferred that year. In contrast to the current small volume of forced sales, the number of farms sold voluntarily during the year ended March 15, 1944 reached an all-time high of 53.1 farms out of every 1,000.

FEDERAL FISCAL MEASURES AND AGRICULTURAL PROSPERITY

Tyler F. Haygood 1/

War has accentuated the great change that began to take place in the public attitude toward fiscal policies of the Federal Government during the early depression years of the 1930's. Traditionally American writers on public finance had regarded taxes as necessary, and certain as death; but, following the lead of Adam Smith, they had limited their discussions almost entirely to questions of equity and incidence of taxes. Public expenditures frequently were classified and then dismissed with the thought or implication that their only purpose should be to protect life and property. Borrowing, especially by the Federal Government, meanwhile was widely held to be tolerable when great disasters such as wars or floods occurred, but all loans were to be repaid very soon after the emergency ended, no thought being given to their undesirable consequences. The broad economic effects of programs of public expenditures, taxation, and borrowing and effects of courses of action involving the use of these to achieve at the same time fiscal and other public purposes were seldom considered.

Influence of Depression and War Upon Fiscal Policies

This situation began to change with the expansion of Federal activities in the 1930's when expenditures of the National Government rose from 3,864 million dollars in 1933 to 8,666 million in 1936, while during the same 3-year period receipts increased from only 2,080 million dollars to 4,116 million, thus leaving a sizable yearly deficit to be covered through loans. The use of Federal borrowing power to meet public expenses incurred during this type of "emergency" was something new, and evoked wide discussion. Public expenditures during the 1930's appeared large; nevertheless Federal fiscal operations required by the war became much greater (table 1) and their very magnitude indicates in part why the change in public attitude toward fiscal policy has been more pronounced since 1940.

Recently the radio, addresses, newspapers and popular magazines, technical journals and entire volumes have become the media for discussing fiscal policy in one or more of its aspects. Public receipts, expenditures, and borrowing are considered not only separately in quantitative terms, but together as they affect economic activity. Recognizing that taxes and expenditures do have important economic and social implications, some persons focus attention upon the possibility of making them as beneficial or at least as harmless as possible.

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Table 1.- Federal receipts, expenditures and debt, 1940-44

Fiscal year	Ordinary receipts	Ordinary expenditures	Gross debt
	Million dollars	Million dollars	Million dollars
1940	5,387	8,998	42,968
1941	7,607	12,710	48,961
1942	12,799	32,397	72,422
1943	22,282	78,179	136,696
1944	44,149	93,744	201,003

Data from U. S. Treasury reports.

There is, of course, a difference of opinion as to how far the Government should go in the use of fiscal operations in accomplishing economic and social objectives (as discussed at a later point), although frequent use has been made of taxation for nonfiscal purposes in this country. The protection of certain industries through tariffs is a familiar example. The taxation of narcotics is a supplement to the police power rather than a revenue measure, and a direct control over such different items as firearms, and oleomargarine is accomplished through taxation. The attempted taxation of articles produced with child labor affords a further illustration of the nonfiscal objectives in the Federal tax field. Today, in some quarters, Federal fiscal policy is accepted as one instrument of control over broad areas of economic and social life, while in others the traditional function of providing adequate funds for the support of governmental services is regarded as the sole function of fiscal policy.2/

What, then, is the significance of Federal fiscal policy to agriculture today? How does it affect the development of farming as an industry? Of what importance is our national financial policy to the farmer as an individual? How does it touch upon his everyday life? How does it add to his general welfare or subtract from it? In other words, what is the impact of Federal fiscal policy upon agricultural prosperity? This paper is an attempt to discuss some of these questions.

Agricultural Prosperity Dependent Upon National Prosperity

The prosperity of agriculture is tied in directly with the prosperity of the economy as a whole, for farming is an inseparable segment of that economy. But some fiscal measures of importance affect agriculture much more directly and significantly than "industry." Hence in general,

2/ It is not always possible (nor is it necessary for our purposes here) to dissociate fiscal from other public policies. For instance, tariffs may be levied for revenue purposes or for the protection of certain industries, and to the extent that one of these objectives is accomplished, the other is not. In both cases the law and administration are identical, but the impact of the two is very different.

the effects of Federal policies upon industry, whether with positive intent or not, are shared with agriculture. This fact becomes clearer as we examine the economic relations that are involved. For instance, farm income tends to rise and fall with factory pay rolls; low urban consumer purchasing power and the rural depression went hand in hand in the 1930's; and city people spend more for food and other farm goods and services when the working population as a whole has a higher income. In the past a prosperous urban industry has absorbed part of the excess farm population, and as fewer people on farms during the war have produced more food, it seems that a flourishing industry must be depended upon to absorb the future surplus manpower developed in rural areas - unless, of course, an improved level of living, a decided drop in the rate of rural population growth, or some other factor intervenes. The impact of Federal fiscal policy upon agriculture in general, therefore, is not different from that upon the national economy as a whole.

Federal Taxation and Rural Prosperity

Various fiscal policies of the National Government have very specific effects upon individual farmers as well as upon the group. In the first place, tax payments reduce the volume of funds available to the farmer for spending and saving. If the amounts paid are high in relation to cash income, farm expenditures for capital outlays and current operations must be adjusted accordingly. During the war, construction of new homes and barns, and acquisition of new equipment have been postponed to a large degree. Because of various wartime material and manpower shortages, many normal farm repairs and maintenance operations also have been delayed. Furthermore, conservation measures have been overlooked in many cases because of the pressure for more agricultural production. Nevertheless, expenditures for these items cannot be made until tax bills have been provided for. So far as the Federal income tax is concerned, the farmer, unlike many other taxpayers who have withholdings made before their income is received, must consciously plan ahead as a practical matter, to see that cash is available to meet the bill when it falls due.

Tax policies of the Federal Government have a two-way effect upon the types of goods and services farmers may purchase. First, taxes levied to withdraw purchasing power from all taxpayers alike will leave farmers and other groups in the same relative position so far as the amount remaining for buying goods and services is concerned. However, taxes may have the effect of transferring income from one group to another - as when high rates are applied in the upper income brackets only, or when a retail sales tax is imposed - and if the transfer is from other than rural to farm groups, or from farmers to urban people, obviously the financial position of the farmer - that is, his ability to purchase goods and services - is changed. Second, if taxes on business are such that investments in improved methods of manufacture or in the production of new articles are discouraged, the farmer may find himself unable to purchase new or more efficient agricultural machinery and equipment unless he is willing to pay a considerably higher price, and will have to content himself with less variety and efficiency in the items available for his purchase. Hence the types and rates imposed by the Federal Government affect both the producer and consumer of products manufactured for agricultural use.

Taxation may be employed to curb excessive fluctuations both in farm commodity prices and land values. During the World War I period, average prices received by farmers for wheat rose to $2.16 in 1919 and fell to $1.03 in 1921. Corn reached $1.51 per bushel and then dropped to 52 cents in the same period, and cotton rose to 35 cents in 1919 and fell to 17 cents 2 years later. Meanwhile meat products experienced a similar trend. The farm value per head of beef cattle was $44.53 in the former year and only $29.04 in the latter, while the value per head of hogs reached $22.18 in 1919 and fell to $13.63 two years later. Following the lead of farm prices, the index of land values reached 170 in 1920 and declined to 139 only 2 years later. Tax and other fiscal policies could have done much to prevent this development during and after World War I, and may be brought to bear to prevent a repetition during and after the present war. For instance a unified program of high personal income taxation, a general sales levy and heavy excises upon consumer goods during the upswing of prices would have a tendency to curb general purchasing power so that farm commodity and other prices, as well as the values of farm and other real property, would not reach ruinous heights. Some taxes, such as the proposed excess profits levy upon gains from frequent transfers of rural real estate, would, if levied, have a direct influence upon certain phases of agriculture - land values, for instance - but it should be emphasized that tax and other policies which curb general price increases during inflationary periods also would have an influence upon the prices of farm products and of farm land.

Tariffs may play an important part in the prosperity of agriculture and of individual groups of farmers. Low duties which would promote a large volume of foreign trade in all lines would have an influence upon farming as upon other segments of the national economy. More immediately, however, farmers produce a surplus over the effective domestic demand for many agricultural products and unless domestic consumption is subsidized, these must enter foreign markets if they are sold at all. Tariffs also may affect adversely one group of farmers and aid another, as when high duties are placed upon a selected list of imported goods such as woolen articles. Farmers and others who use these "protected" goods pay higher prices for them so that domestic producers of the woolen items may receive what in effect is a price subsidy. Finally tariffs may completely prevent international trade in specific farm or other products and they may minimize the financial ability of other countries to purchase our own surplus foods and fibers.

Federal Borrowing and Rural Prosperity

Government borrowing policy, which must be changed from time to time as current conditions dictate, also affects the economic status of the farmer. Short-term obligations usually are purchased by nonfarm groups, and their significance to rural people is only indirect. During the war, however, appeal has been made to all groups to purchase United States bonds and farmers have responded along with others. The total volume of bonds issued, the rate of interest paid by the Government, and the conditions of redemption (such as those affecting the farmer's ability to liquidate his

holdings), are of particular financial significance to the rural purchaser. Taxes will have to be high enough to pay interest as it becomes due(unless more bonds are sold for this purpose), and presumably an effort will be made to reduce the debt beginning soon after the war ends and the tax policy adopted will affect the farmer's financial status. The interest rate received has a bearing upon the farmer's holdings, for he is faced with alternative uses of his funds, such as investment in additional land, or in business enterprises. The fact that savings bonds become liquid assets after 60 days makes them in effect a part of the purchasing power of the farmer-buyer.

Government borrowing policy, necessitated by changing financial requirements, may affect the types of goods and services purchased by farmers. When tax revenues are not sufficient to redeem Treasury obligations as they fall due, refinancing is necessary. If farmers and others receive new certificates exactly replacing the maturing ones which they own, the purchasing power of all remains the same. But present holders of securities may wish to use the redemption privilege, and if large numbers of Federal bonds are cashed when the war ends, higher taxes may become necessary. To the extent that farmers would share in this tax increase, they would find themselves less able to purchase desired goods and services.

The extent to which Federal securities are redeemed, of course, will not be known until the war ends or later, perhaps. If business investment opportunities are high at that time, many persons may wish to transfer their savings from Government bonds to other fields. Nevertheless, if employment is at a high level, many others may desire to retain their bonds because their needs can be met from current income. On the other hand, if unemployment is widespread at the close of hostilities, many persons may need to redeem their holdings for current necessities. Whatever the conditions, the farmer's stake in the Federal policy pursued with respect to borrowing is great, for the goods and services he can buy will be conditioned by the decision.

Federal Expenditures and Agricultural Prosperity

The farmer's economic status also is affected directly as well as indirectly by Federal expenditures. During the depression of the 1930's, payments amounting to many millions of dollars were made directly to individuals in connection with farm-production quotas. In addition, considerable quantities of food and raw materials produced on farms were bought directly by various agencies of the Government for use in a variety of welfare projects. Besides the payments made directly to farmers, many of the other benefits of the programs were shared by rural people.

Great quantities of food and other agricultural products have been acquired during the war by the United States Government. This has been for use by our own armed forces and our allies, and by civilians in this country who received aid through domestic welfare projects. When the war is concluded, the liberated countries, our allies, and possibly some of the

present enemy countries may receive large shipments of agricultural commodities financed by our Government. All these Federal expenditures contribute extensively and directly to rural income. In addition, they indirectly stimulate urban industrial activity through increased rural prosperity, and in turn city people are enabled to buy larger quantities of foods and fibers produced on farms.

In other ways Federal expenditures exert considerable indirect influence upon rural life. Many services have been financed from our earliest history from national funds, while others are of more recent origin. Some of these, which add to the farmer's economic and social well-being, are research into better methods of farm operation and management, conservation projects in many areas, aids for the improvement of roads to markets, educational and informational assistance in several fields, lunches for the school children, and social security programs. It is possible that some of these services will be expanded, and that other aids will be added to the list when the war closes, because deficiencies in rural health and education have been emphasized by the results of examinations given drafted and enlisted personnel, and the need for expanded coverage by the Social Security Act is being urged constantly.

Federal expenditures for many years have covered subsidies and other forms of assistance in the purchase of farms, homes, feed, and other items. Legislation now has been enacted to provide certain benefits for war veterans who want to enter agriculture, and additional laws extending aid are being considered by Congress. It is possible that provision for rural housing similar to that provided in many cities will be among the Federal services offered to farm people.

The influence of public expenditures upon agriculture and the individual farmer does not end there. During the depression, the livelihood of a large number of persons depended directly upon projects financed from Federal funds. Moreover, it was rediscovered that the vast size of the outlays3/ had significance for all segments of the economy independent of the nature of any particular item of expenditure. Thus to many, Federal outlays are regarded as an important factor in the expansion of employment, national income, and production, and they may exert considerable influence on economic fluctuations in general.

3/ The notion that public expenditures exert influence upon business activity is not new. C. J. Anderson, "Development of Pump-Priming Theory," Journal of Political Economy, June 1944, p. 144 ff., points out that in 1723 the Colony of Pennsylvania passed an act making available £ 15,000 paper money to remedy the extreme scarcity of money because of which the trade of "this province is greatly lessened and obstructed." After a second issue of £ 30,000, similarly provided, there was a noticeable revival in business activity according to reports of the governor and of the assembly of the province. T. R. Malthus advocated use of the poor on roads and public works to relieve depressed conditions after the War of 1812, and William Hard in 1916 perhaps introduced a now-common term when he said that "When the waters of business are stagnant, gentlemen, it becomes necessary, if I may say so, to prime the pump."

In the case of employment, for example, Government projects provide additional jobs, if they are financed from credit or funds which would not be brought into use otherwise. The amount of business increase attributable to public spending is measurable by the net increase in direct wages and salaries paid, payments for raw and other materials and their transportation, and the added disbursements for interest, rent, profits, and taxes. Indirectly, therefore, Federal expenditures increase the payments to workers, landlords, entrepreneurs including farmers, savers, and others.

Public expenditures for some types of projects which fall outside the usual sphere of private enterprise may result in a net increase in economic resources. Examples include flood control, river-valley development, soil conservation and reforestation projects. Human resources may be developed through expenditures for public health, nutrition, educational, or child welfare programs. In both cases, economic productivity is increased, the level of living is raised in localities where the services are performed, and opportunity for an expansion of private investment may be opened up. These public investments in periods of depression provide employment, and add to national production and income. Thus fiscal policies may be integrated with other public policies for the promotion of the welfare of farm and other groups.

Conflicting Philosophies in Use of Fiscal Policies to Promote Prosperity

Up to this point, the impact of Federal tax, expenditure, and borrowing policies upon the prosperity of the individual farmer and of agriculture has been analyzed. It has been indicated that all taxes have general economic aspects, as well as purely financial ones. Public expenditure and borrowing activities have been shown to have important implications to the economy as a whole. There can be little disagreement with the thesis that the influence of all fiscal policies should be as harmless as possible; that is, since it is impossible to avoid the economic effects of particular policies, the choices made should result in the establishment of more, rather than less, desirable patterns.

The question of the use of Federal fiscal policies as an instrument for the deliberate control of the economy to maintain a high level of national employment, production, and income is quite another matter. Two philosophies are apparent in current thought. One of them pictures the role of the Government as passive. Private enterprise would be charged with full responsibility to provide employment to all those seeking it, whereas the Government would relieve any serious distress caused in hardship cases. The "positive" actions of Government would be limited to insuring the existence of competitive conditions in which private business would operate, and to the protection of life and property in the traditional manner. The Government would not act to prevent hardship cases from developing among the people due to economic maladjustments, but would relieve distress once it was discovered.

The contrasting philosophy presupposes that full responsibility should rest with the Federal Government to assure everyone who wants work that employment would be available. Thus a high level of employment, production, and income would be guaranteed by many public programs. A vast reservoir of public works and other projects would have to be created, and they would have to be utilized whenever the private enterprise system failed adequately to respond to group needs. Thus the Government would play an active rather than passive role. It would require far more diligence in the selection of kinds and rates of taxes, and in the determination of burdens of levies, than would the other course of action, for fiscal policy would assume an extremely important part in the programs. Public expenditures would have to be provided for on a much larger scale, and they would necessarily bear a closer relation to tax and borrowing policies. Under this philosophy, fiscal policies would be one of the most important instruments for preventing or ameliorating depressions or excess inflation.

The difference between the two philosophies is fundamental; the choice will be made by the people.

Income Tax Laws Changed.- Two laws affecting income taxes were passed during 1944. The net effect is to simplify in certain ways the process of determining income tax liability. Not materially affected is the need for each individual farmer to summarize the financial results of his farm operations and to establish the amount of the net farm profit. The major simplification for farmers whose adjusted gross income is less than $5,000 is that they too may now file a "short form return" and find the amount of their tax by reference to a tax table. The tax table reflects a standard deduction of 10 percent of adjusted gross income, which is in lieu of any other nonbusiness deductions or credits. Taxpayers whose adjusted gross income is $5,000 or more may take a standard deduction of $500 in lieu of listing actual amounts. The scheme of personal exemptions has been changed to provide for a straight per capita basis. For surtax purposes, $500 each is allowed for the taxpayer, his spouse, and any dependents. For normal tax purposes only $500 exemption is allowed the taxpayer except that on a joint return which includes income for both spouses, it may be as much as $1,000. Dependency now can be claimed for any person of certain specified close relationship who receives more than half his support from the taxpayer and who does not have a gross income of $500 or more. The deadline for farmer declarations of estimated tax has been changed from December 15 of the taxable year to January 15 of the following year. In fact if a farmer wishes to do so he may file a final return by January 15 and thereby eliminate the filing of any declaration of estimated tax.

REVISED ESTIMATES SHOW GREATER DECLINE IN MORTGAGE DEBT 1930-44

Farm real estate debt at the beginning of 1944 was lower than at any time since 1917. The estimated debt outstanding on January 1, 1944 was 5,635 million dollars compared with 5,826 million dollars in the earlier year. This continues a downward trend that has persisted since 1923, when outstanding farm-mortgage debt had reached an all-time high of 10,786 million dollars. The debt estimates for all years since 1930 are a revised series aligned with new estimates for 1940 based on a special farm-mortgage survey for that year. Before these revisions were made, estimates for all years since 1935 had been extrapolations based on the 1935 bench-mark estimates. The 1940 farm-mortgage survey data established a new bench-mark for that year and provided a basis for revisions in certain States back to the 1930 bench-mark estimates.1/

The revised estimates indicate a lower level of outstanding debt and a more rapid rate of decrease than was shown by the previous series (table 1). Reductions have been pronounced in the 2-year periods 1942-43,

Table 1.- Revised farm-mortgage debt estimates with percentage change from previous estimates, by geographic divisions, 1935 and 1940

Geographic division	1935			1940		
	Previous estimates	Revised estimates	Percentage change	Previous estimates	Revised estimates	Percentage change
	1,000 dollars	1,000 dollars	Percent	1,000 dollars	1,000 dollars	Percent
New England	176,004	176,004	0.0	188,325	150,499	-20.1
Middle Atlantic	413,578	413,578	.0	395,857	372,155	-6.0
East North Central	1,535,006	1,526,481	-.6	1,383,877	1,425,539	3.0
West North Central	2,694,140	2,673,143	-.8	2,195,094	2,173,966	-1.0
South Atlantic	421,645	415,721	-1.4	392,066	405,057	3.3
East South Central	354,213	364,775	3.0	340,670	384,094	12.7
West South Central	934,687	876,657	-6.2	811,873	713,036	-12.2
Mountain	474,214	447,100	-5.7	437,624	357,190	-18.4
Pacific	782,487	691,000	-11.7	764,408	604,863	-20.9
UNITED STATES	7,785,974	7,584,459	-2.6	6,909,794	6,586,399	-4.7

1/ Certain improvements in the methods of estimating the debt on rented and manager-operated land for 1940 were made possible by the availability of additional data collected by the 1940 Agricultural Census and by the collection of more complete mortgage information in the cooperative survey for that year than had been obtained by surveys for previous censual years. For explanation of methods used and revised data for all years, see: Horton, Donald C. and Umstott, Haven D., Revised Annual Estimates of Farm-Mortgage Debt, by States, 1930-43, U. S. Bur. Agr. Econ., April 1944, and "Cooperative Survey - Mortgage Indebtedness in the United States - Release No. 2 - Amount of Farm-Mortgage Debt" issued jointly by the Bureau of the Census and the Bureau of Agricultural Economics, March 1944.

when cash farm income was greatly increased, and 1932-33, when the volume of foreclosures and related distress transfers of mortgaged farms was at its height.

Regional Changes 1940-44

During the period 1940-44, the greatest decreases in outstanding farm-mortgage debt have occurred in the Western and northwestern States and the smallest decreases in the New England and South Atlantic States. The largest percentage decrease occurred in the Mountain States where it amounted to 27.6 percent. All of the eight States comprising this geographic division showed decreasing debt and in four of the States the reductions amounted to over 30 percent during this period. The only other decreases of over 30 percent occurred in Maine and Kansas. (See appendix table 6.)

The smallest decrease for any geographic division from January 1, 1940 to January 1, 1944 was that of 7.0 percent for the South Atlantic States. The States in this division consistently showed a very small percentage decrease in debt and two of the States - Delaware and Georgia - showed increases from 1940 to 1944. Other States which showed increases were New Hampshire, Vermont, and Arkansas (fig. 1).

Mortgage Debt and Farm Value

The ratio of debt to the value of all farms was lower in 1944 than in any year since 1920 (fig. 2). On January 1, 1944 the debt was $124 per $1,000 of farm value. This compares with $127 in 1920 and with $276 in 1933 when the ratio of debt to value was at its height. The low ratio in 1920 was caused, for the most part, by inflated land values, whereas in 1944 the ratio is chiefly influenced by the great decrease in outstanding debt combined with lower land values than in the earlier period.

In all geographic divisions, the ratio of debt to value has fallen abruptly since the high point in 1933. But in spite of this rapid decline, the ratio for five of the nine divisions has not yet fallen to what it was in 1920. The greatest reduction from 1933 to 1944 was in the Mountain States where the ratio fell from $305 to $102 per $1,000 of farm value. Large reductions also occurred in the East North Central, West South Central, and Pacific States. The ratio for the New England States fell about one-fourth, which is the smallest reduction shown for any geographic division. During the last 4 years all geographic divisions have shown a sharp decline in this ratio. However, from 1914 to 1918, the period of World War I, only three divisions showed a decrease in ratio of debt to value, and the Mountain States, with the greatest decrease in recent years, showed an increase of 48 percent in the earlier war period.

PERCENTAGE CHANGE IN OUTSTANDING FARM-MORTGAGE DEBT, JAN. 1, 1940-JAN. 1, 1944

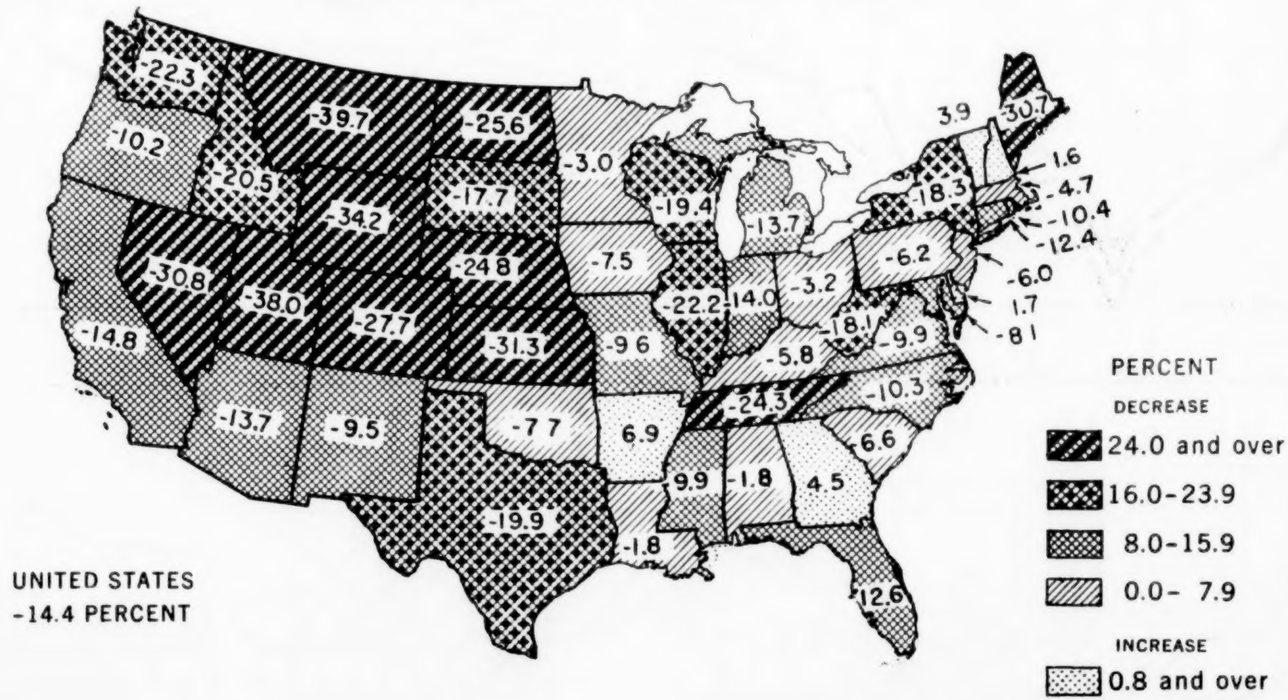

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Figure I

RATIO OF FARM-MORTGAGE DEBT TO VALUE OF ALL FARMS, UNITED STATES AND GEOGRAPHIC DIVISIONS, 1910-44

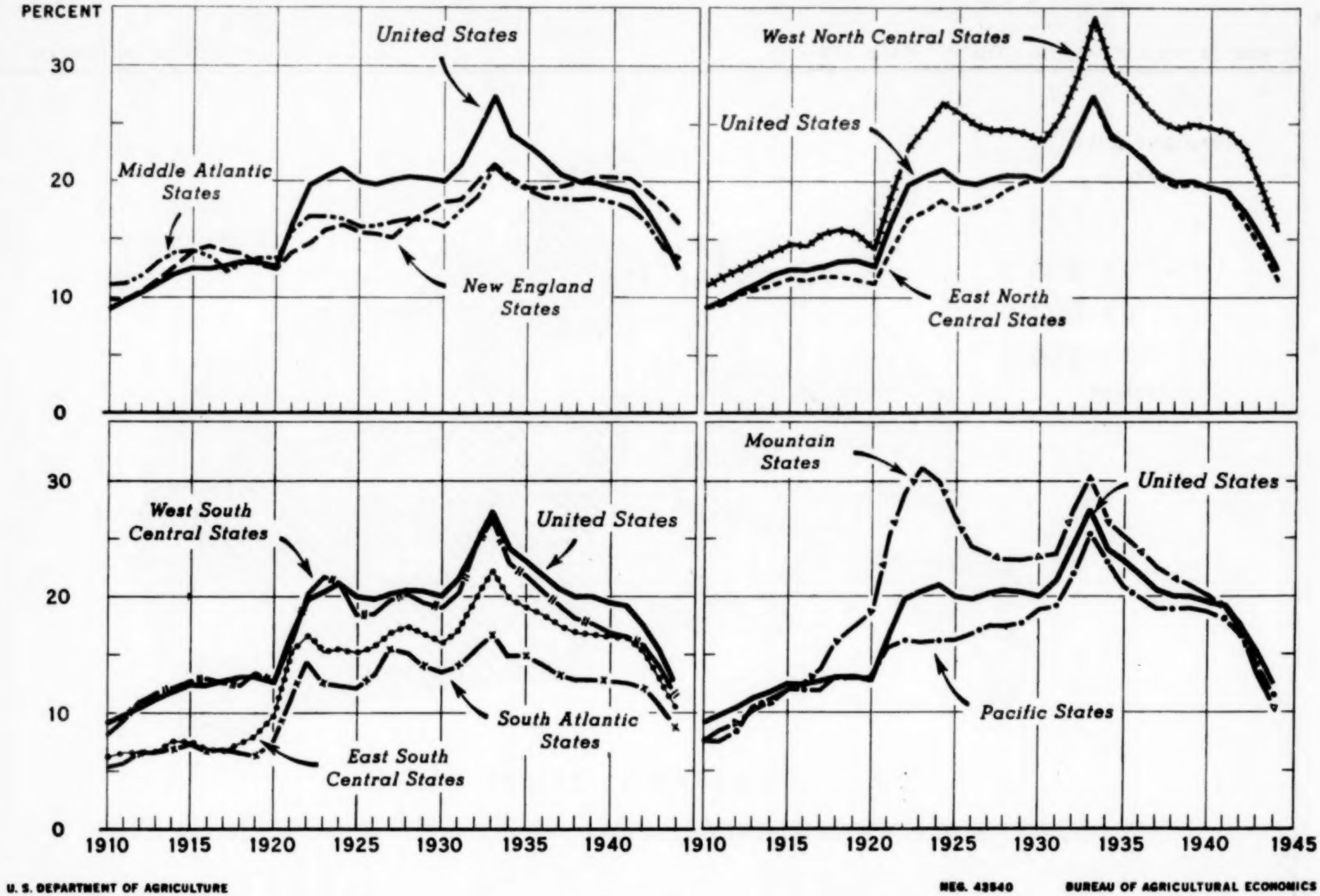

FIGURE 2

REVISED ESTIMATES OF INTEREST RATES AND INTEREST CHARGES ON MORTGAGE DEBT

Interest charges payable on outstanding farm-mortgage debt during 1943 are estimated to be 264 million dollars. This estimate is based on a survey of the farm-mortgage debt situation made in 1940. The previous series of interest charges payable has been revised from 1930 to 1943 to conform with data on farm-mortgage debt and interest rates obtained by this survey. These revised estimates show a greater decline from 1930 to 1943, both in annual interest charges payable on farm-mortgage debt and in average interest rates charged on such debt, than was indicated by the previous series. A comparison of the previous and revised series for interest rates, farm-mortgage debt, and interest charges is shown in figure 1.

The interest charges payable during 1943 are lower than for any year since 1912. They represent a decrease of 54 percent from the 570 million dollars payable in 1930, and a decrease of 61 percent from the 680 million dollars payable in 1922, when interest charges were at their height. (See appendix table 5.)

Interest Charges and Cash Farm Income

Interest charges on farm-mortgage debt have been declining steadily since the high point in 1922, but cash farm income has fluctuated widely since the early 1920's (fig. 2). The decline in mortgage interest charges, combined with a great increase in cash farm income in recent years, results in a ratio of interest charges to cash farm income for each year since 1940 which is lower than for any earlier year for which data are available (fig. 2). The ratio was highest in 1932, when interest charges were $111 per $1,000 of income, and lowest in 1943, when they were only $13 per $1,000 of income. In both 1942 and 1943 the ratio of interest charges to cash farm income was less than half of the average for the period of World War I.

The ratio of interest charges to cash farm income showed little variation by geographic divisions in 1943. In that year, the East and West North Central States showed the highest ratio, with $15 of charges per $1,000 of income for each division, and the South Atlantic and Mountain States, each with $10 of charges per $1,000 of income, showed the lowest ratio. At the time this ratio for the United States was at its height, in 1932, the West North Central States showed $165 per $1,000 and the Middle Atlantic States, $59 per $1,000. Since 1932, the ratios for all geographic divisions have tended to converge toward the United States ratio.

INTEREST RATES AND INTEREST CHARGES ON FARM-MORTGAGE DEBT, 1930-42, AND OUTSTANDING FARM-MORTGAGE DEBT, 1930-43: COMPARISON OF PREVIOUS AND REVISED SERIES

INDEX NUMBERS (1930=100)

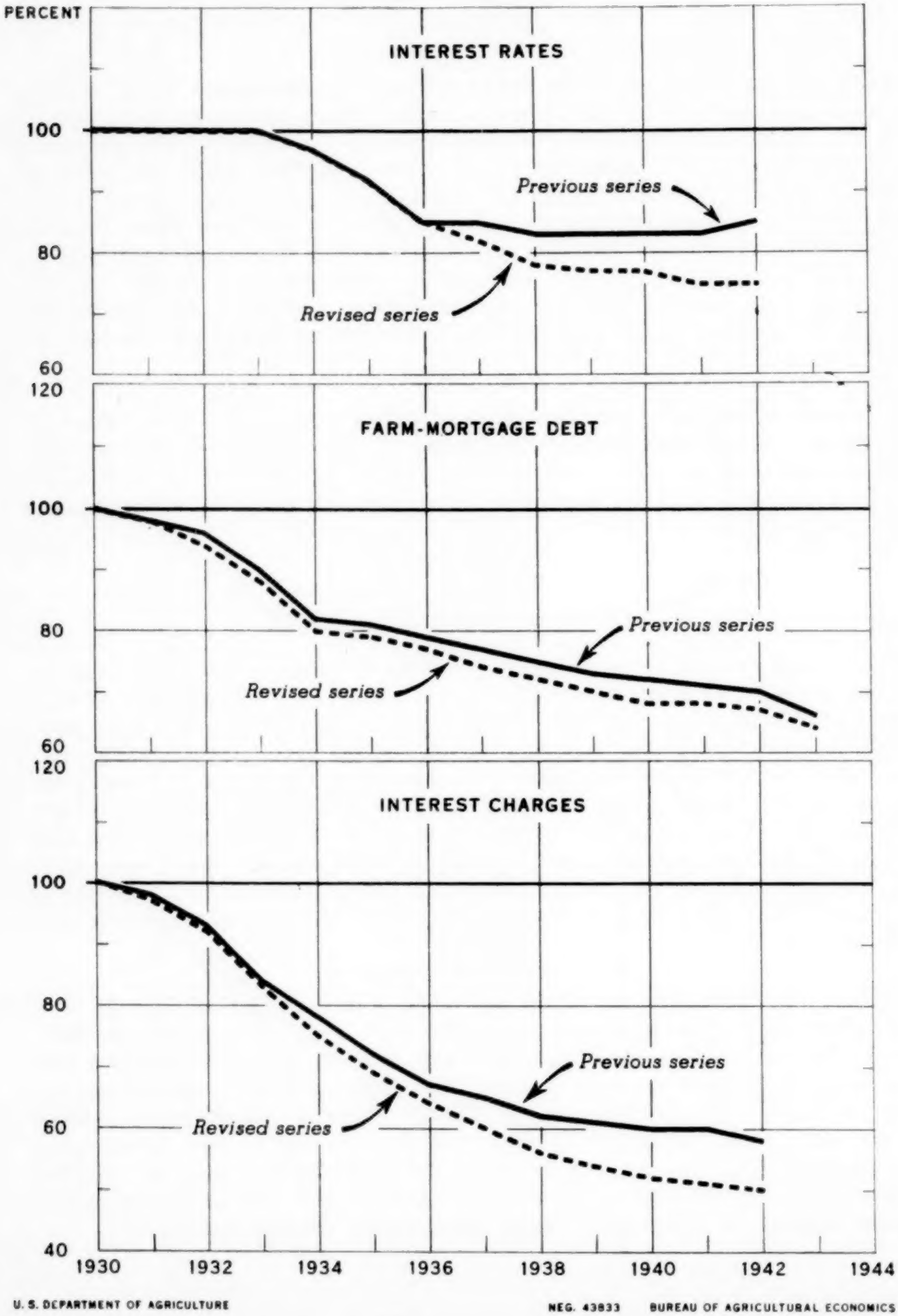

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FIGURE 1

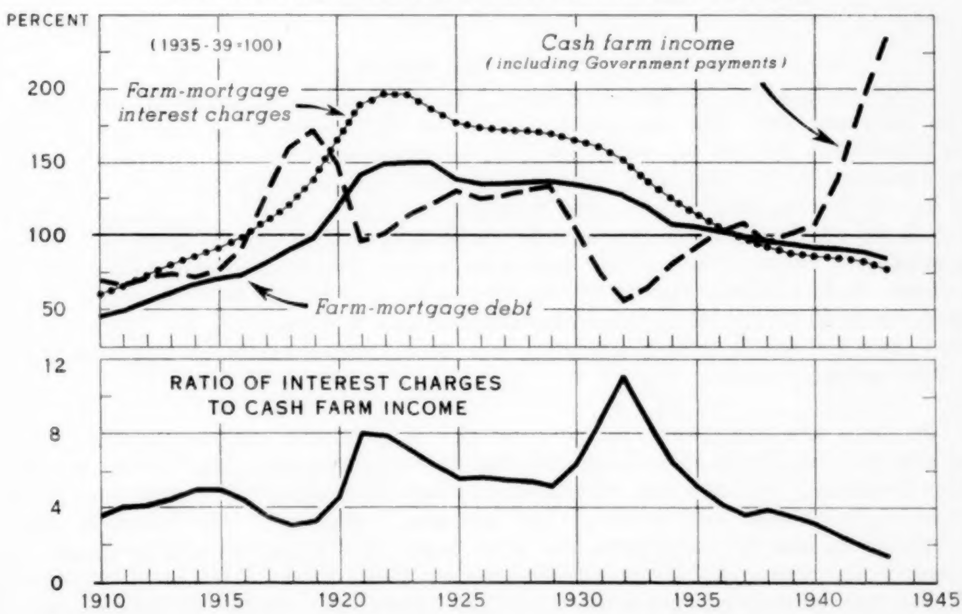
Interest Rates on Farm-Mortgage Debt

The revised estimates of farm-mortgage interest rates, based on the 1940 survey data, are considerably lower than those shown by the previous series (fig. 1). The 1940 survey provided additional and more complete data on interest rates charged by private lenders and therefore established a better basis for estimates of the average interest rates charged by all lenders.

The average interest rate for all farm-mortgage lenders showed little variation in the period 1910-33, but dropped from 6.0 percent on January 1, 1933 to 4.5 percent on January 1, 1941 where it has remained through 1944. During the period 1910-44, the highest interest rates were in effect from 1922 to 1925, when the average rate was 6.3 percent or more.

In general, interest rates on farm-mortgage debt in the major geographic divisions have moved toward the United States average. This tendency was pronounced during the early 1930's (fig. 3), but in recent years there has been a somewhat greater dispersion among the various divisions than in the late 1930's.

INDEX OF FARM-MORTGAGE INTEREST CHARGES, CASH FARM INCOME, AND FARM-MORTGAGE DEBT, AND RATIO OF INTEREST CHARGES TO CASH FARM INCOME, UNITED STATES, 1910-43



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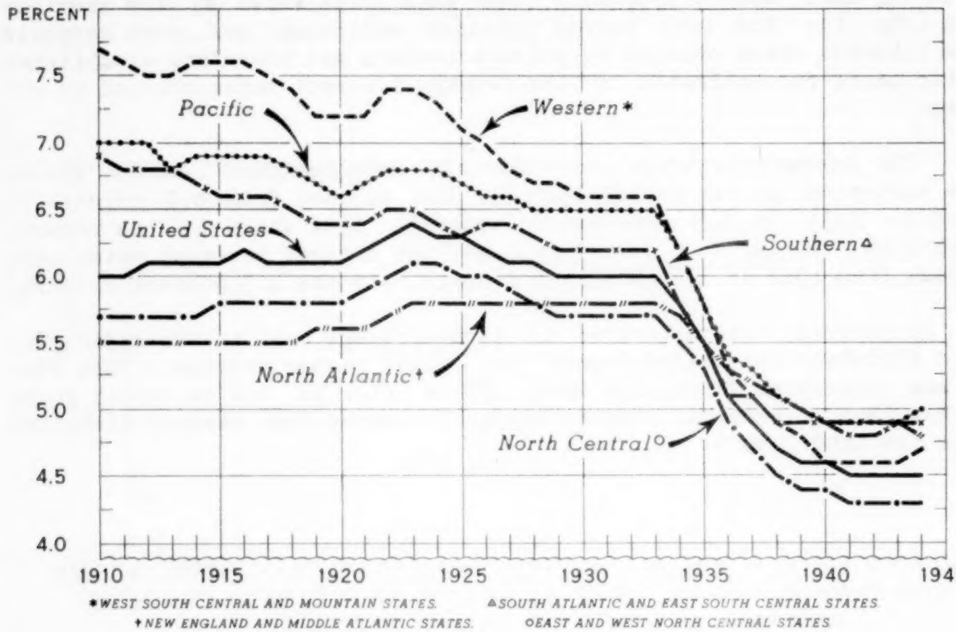
AVERAGE INTEREST RATES ON FARM-MORTGAGE DEBT, UNITED STATES, AND MAJOR GEOGRAPHIC DIVISIONS, 1910-44



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The reduction in farm-mortgage interest rates since 1910, reflected in the decrease for the United States from 6.0 percent on January 1, 1910 to 4.5 percent for 1944, occurred, in different degrees, for each lender group (table 1). The Federal land banks were nonexistent in 1910, but from 1920 to 1944 the effective rate charged on loans of this agency dropped from 5.4 to 3.5 percent. After the Federal Farm Mortgage Corporation was in operation, rates charged on loans made by these two agencies combined fell from 4.6 percent in 1935 to 3.5 percent in 1944. Average rates charged by life insurance companies fell from 5.5 percent in 1910 to 4.6 percent in 1944 and the average rate for "all other lenders" fell from 6.1 to 5.2 percent.

No data are available since 1940 for a separate determination of the rates charged on loans of commercial banks, individuals, and other miscellaneous lenders, so average rates have been estimated only for the total loans held by these combined lender groups. However, the rates charged both by banks and by individuals have been declining steadily since the high point in the 1920's and on January 1, 1940 were 5.5 and 5.2 percent for these two lender groups respectively. Data on rates charged on mortgages recorded by these two lender groups in recent years indicate a continuation of the declining rates, so it is probable that the average rates on loans held by these lenders for 1944 are lower than those shown for 1940.

Table 1.- Average interest rates on farm-mortgage debt held by various lender groups, United States, for selected years, 1910-44 1/

Year	Federal land banks and Land Bank Commissioner	Life insurance companies	Other lenders				Total all lenders
			Banks	Individuals	Others	Total	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1910	-	5.5	6.2	6.0	6.5	6.1	6.0
1920	5.4	5.8	6.5	6.1	6.3	6.2	6.1
1923	5.6	6.0	7.0	6.3	6.6	6.5	6.4
1930	5.4	5.7	6.5	6.1	6.1	6.2	6.0
1935	4.6	5.6	6.3	5.9	6.0	6.0	5.5
1940	3.7	4.9	5.5	5.2	5.1	5.3	4.6
1941	3.5	2/ 4.9	3/	3/	3/	5.3	2/ 4.5
1942	3.5	2/ 4.8	3/	3/	3/	5.3	2/ 4.5
1943	3.5	2/ 4.8	3/	3/	3/	5.2	2/ 4.5
1944	3.5	2/ 4.6	3/	3/	3/	5.2	2/ 4.5

1/ Contract rates, except on loans of Federal land banks, 1934-44, and Land Bank Commissioner, 1938-44, which are included at temporarily reduced rates.
2/ Preliminary.
3/ Data not available.

FARM-MORTGAGE RECORDINGS CONTINUE TO INCREASE IN 1944

The total volume of mortgages recorded during the first half of 1944 amounted to 544.3 million dollars, according to estimates by the Farm Credit Administration. (See appendix table 4.) This is more than the total volume recorded in any half-year period in the last 5 years, and represents an increase of 11 percent over the amount recorded in the comparable period of 1943. The increase in recordings in the first half of 1944 is the result of an unusually high volume recorded during the first quarter of 1944, as the amount recorded during the second quarter of 1944 was less than that recorded in the second quarter of 1943.

The amount of mortgages recorded during the first half of 1944 was larger for every lender group than that recorded in the first half of 1943, although the increase was very slight for insurance companies and miscellaneous lenders. The increase was greatest for individual lenders; the totals recorded were 177.4 million dollars and 208.6 million dollars in 1943 and 1944 respectively, showing an increase of 18 percent. Loans closed by the Federal land banks during the first half of 1944 amounted to 37.6 million dollars, which was exceeded during the last 5 years only in

the first half of 1941 when such loans amounted to 38.0 million dollars. Loans closed by the Land Bank Commissioner in the first half of 1944 amounted to 18.3 million dollars, which is almost the same as the amount closed during the first half of 1940. Loans closed by this agency show an increase in the first 6 months of 1944 over the comparable period in 1943 but the amount for 1944 was exceeded in the corresponding period of both 1941 and 1942.

The volume of mortgages extinguished was so much larger during 1943 than during 1942 that the net reduction in mortgage debt was greater despite the larger volume of mortgages recorded in the later year. The volume of mortgages recorded by all lenders during the full year 1943 reached 915.8 million dollars compared with 762.8 million dollars a year earlier. (See appendix table 4.) This 20-percent increase in volume of recordings is in contrast with a decrease of 7.9 percent in the outstanding farm-mortgage debt during 1943 and with a 5.7-percent decrease in 1942.

In the first half of 1944 the volume of loans recorded by individuals represented 38 percent of the total amount recorded by all lenders compared with 29 percent in the corresponding period of 1940. In both periods, this represented the largest percentage for any lender group. Commercial banks recorded 26 percent of total loans closed in 1944 and 28 percent in 1940. Life insurance companies recorded 19 percent and 21 percent in these 2 periods respectively, and loans closed by the Federal land banks and the Land Bank Commissioner combined represented 10 percent and 12 percent. Thus, from 1940 to 1944 the mortgages recorded by individuals increased in relative importance, whereas those recorded by all other lender groups decreased in relative importance.

Mortgage recordings during selected years of World War I and World War II are compared in table 1. Data on the average size of recorded mortgages are not available for years earlier than 1917, but the figures in table 1 indicate that there is little difference in the average size of loans made in the comparable years of the two periods. However, the volume of mortgages recorded during World War II is about half of the volume recorded during World War I. In the earlier period the amount recorded showed a steady rise from 1,403 million dollars in 1914 to about 2 billion dollars in each of the years 1917 and 1918, or an increase of about 40 percent. During World War II, the volume of recordings rose from 729 million dollars in 1939 to 834 million in 1941; then it fell to 763 million dollars in 1942 and rose again to 916 million in 1943, giving an increase of 26 percent from 1939 to 1943. The fact that a smaller volume of mortgages has been put on farms in this war means that less of the outstanding mortgage debt is influenced by the wartime level of land values.

Not only has the absolute volume of recordings been lower in this war than in World War I, but the annual volume in relation to outstanding farm-mortgage debt has been much lower. Thus the volume of mortgages recorded during 1914 was almost 30 percent of the debt outstanding on January 1 of that year, whereas in 1939 recordings were only about 11 percent of the outstanding debt. In 1918 and 1943 these ratios were 30 percent and 15 percent respectively.

Table 1.- Farm mortgages recorded during selected years of World War I and World War II: Comparison of amount recorded, average size of loans, and percentage distribution of total volume recorded by lender groups

Year	Outstanding farm-mortgage debt	Volume of mortgages recorded	Average size of loan recorded	Percentage distribution of total amount recorded by selected lender groups				
				Federal land banks and Land Bank Commissioner	Individuals	Banks	Life insurance companies	All others
	Million dollars	Million dollars	1,000 dollars	Percent	Percent	Percent	Percent	Percent
				WORLD WAR I				
1914	4,707	1,403		0.0	60.0	19.6	8.6	11.8
1915	4,991	1,486		.0	54.9	21.0	12.4	11.7
1916	5,256	1,883		.0	50.0	24.2	14.3	11.5
1917	5,826	2,017	2,640	2.0	53.7	20.0	12.9	11.4
1918	6,537	1,948	2,880	5.8	58.8	16.3	8.3	10.8
				WORLD WAR II				
1939	6,779	729	2,190	10.8	31.1	29.9	18.9	9.3
1940	6,586	772	2,290	13.0	29.2	28.5	18.8	10.5
1941	6,534	834	2,480	12.2	29.7	26.5	19.3	12.3
1942	6,484	763	2,690	10.7	32.6	25.0	20.3	11.4
1943	6,117	916	3,030	10.0	38.3	25.4	18.2	8.1

The lower level of farm-mortgage recordings during this war cannot be attributed entirely to the different attitude toward the use of mortgage credit as evidenced by greater liquidation of farm-mortgage debt. Land values have been somewhat lower during this war, with the result that less credit has been needed to buy farms. Moreover, the longer average term of loans made in recent years has reduced the necessity for a large annual volume of refinancing transactions.

During World War I, the greatest percentage of total loans made was recorded by individuals. In all years, this lender group accounted for more than half of the total volume of loans recorded. Commercial banks ranked next with an average of about one-fifth of the total volume. The Federal land banks came into existence only toward the end of the period and Commissioner loans were not made until 1933, so that loans closed by the lender group composed of these two agencies were of little importance during the first World War.

In the second World War period, loans recorded by individuals still predominate, but they represent less than a third of the total. Commercial banks still record the second highest percentage, with a slightly higher average percentage than in World War I. Loans made by life insurance companies and by the Federal land banks (including Commissioner loans) have gained in importance, the latter group accounting for about 10 percent of the total volume recorded. Thus, during World War I there was a tendency toward increasing indebtedness with individuals as the chief source of new loans, whereas in World War II there has been decreasing indebtedness, in spite of a slowly rising volume of recordings, with a wider distribution of new loans made among the various lender groups.

MORTGAGED AND FREE-OF-DEBT FARMS IN 1940

The number of mortgaged farms in the United States on January 1, 1940 was 39 percent of the total. These mortgaged farms represented 43 percent of the acreage and 47 percent of the value of all farms. The value per acre of mortgaged farms was 18 percent higher than that of free-of-debt farms (fig. 1). Thus, for the United States as a whole, the farms encumbered with mortgage debt were somewhat above the average both in size and value per acre.

By geographic divisions, the ratio of value per acre of mortgaged farms to that of free-of-debt farms was highest in the Mountain States, where it was 192 percent. In this division the value of mortgaged farms represented a larger percentage of the total value than in any other division, but the percentage of the total acreage included in mortgaged farms was the next to the smallest for any division (table 1). The average size of mortgaged farm in the Mountain States was 709 acres compared with 906 acres for the free-of-debt farms. Thus in the Mountain States the mortgaged farms, although smaller in acreage, were, on the average, more valuable than the free-of-debt farms (table 1). In all of the States in this area, except Idaho and Nevada, the value per acre of mortgaged farms was 30 percent or more above that of free-of-debt farms.

The next highest ratios are found in the New England and West North Central States, where the value per acre of mortgaged farms in 1940 was 22 percent and 26 percent higher than for the free-of-debt farms. In three New England States - Maine, Rhode Island, and Connecticut - the value per acre of mortgaged farms was 29 percent or more above that for free-of-debt farms. In the West North Central Division, the value per acre of mortgaged farms was only about 10 percent higher than that of free-of-debt farms in all States except North and South Dakota where the ratio was 146 and 167 percent respectively. The inclusion of these two States, whose ratios are similar to those found in the Mountain States, raises the ratio for this geographic division. In the West North Central States, as in the Mountain States, the average size of free-of-debt farms was larger than that of mortgaged farms, but in all other geographic divisions the mortgaged farms were larger (table 1).

The lowest ratio of value per acre of mortgaged to free-of-debt farms was in the West South Central States, where it was 95 percent. In Texas, the dominating factor in this division, the value per acre of free-of-debt farms was greater than that for mortgaged farms. In all other States in this division values were higher for mortgaged farms, the ratio reaching 140 in Arkansas, which compares with the ratios found in many of the Mountain States. In both Texas and Arkansas, the average size of mortgaged farms was larger than that of free-of-debt farms, but in Texas the mortgaged farms averaged over twice as large as the free-of-debt farms.

VALUE PER ACRE OF MORTGAGED FARMS AS A PERCENTAGE OF VALUE PER ACRE OF FREE-OF-DEBT FARMS, JAN. 1, 1940

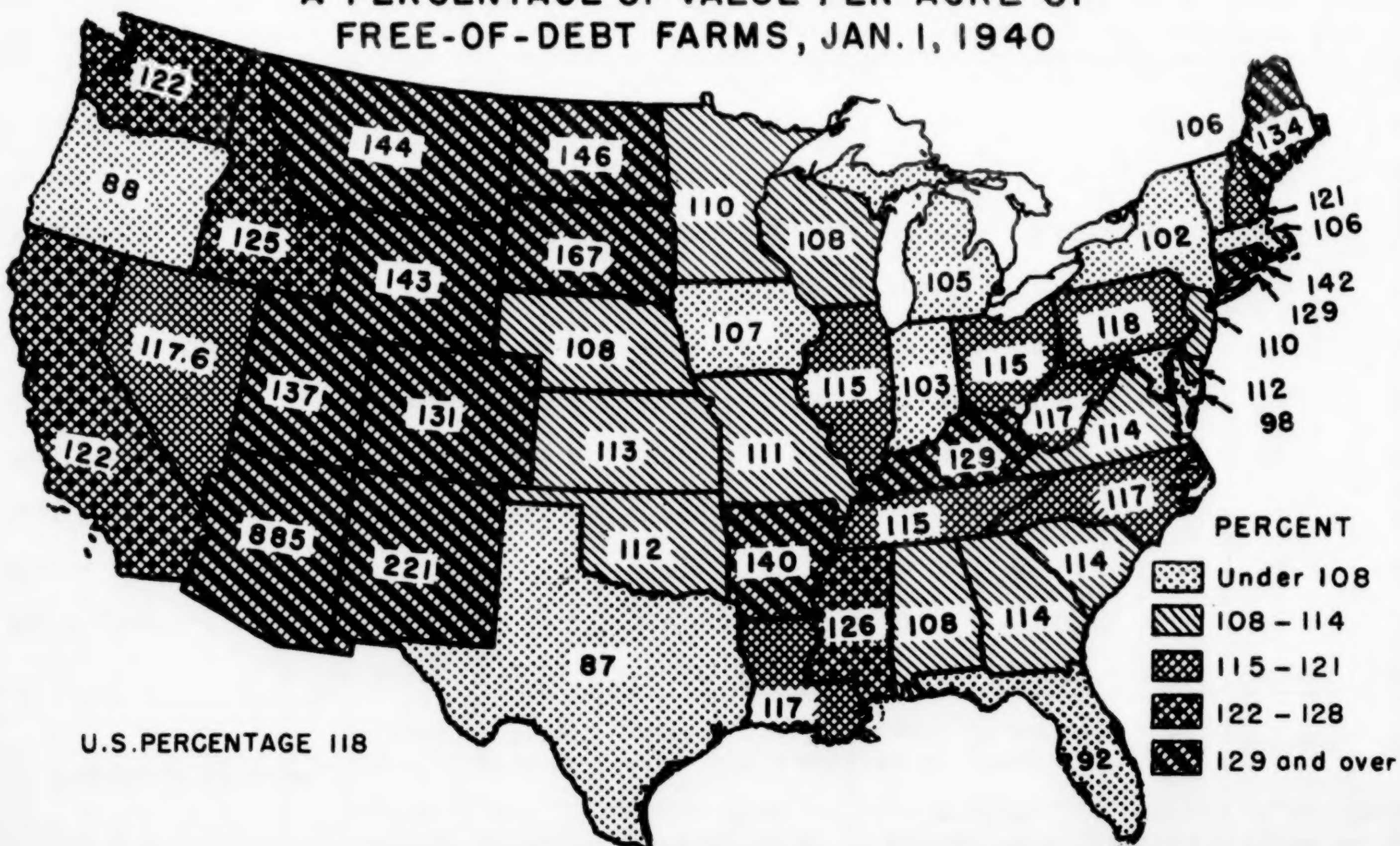

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FIGURE I

Table 1.- Mortgaged and free-of-debt farms: Average acreage and value per farm, average value per acre, and percentage of number, acreage, and value of all farms represented by mortgaged farms, by geographic divisions, January 1, 1940 1/

Geographic division	Average acreage per farm		Average value per farm		Average value per acre		Mortgaged farms as a percentage of all farms		
	Mortgaged	Free-of-debt	Mortgaged	Free-of-debt	Mortgaged	Free-of-debt	Number	Acreage	Value
	Acres	Acres	Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent
New England	101.4	96.7	6,210	4,840	61.20	50.00	46.5	47.7	52.7
Middle Atlantic	102.8	92.5	6,579	5,375	64.00	58.10	40.1	42.7	45.0
East North Central	116.7	110.2	7,776	6,925	66.60	62.90	42.8	44.2	45.7
West North Central	244.0	258.0	8,835	7,427	36.20	28.80	45.3	44.0	49.7
South Atlantic	108.8	83.4	3,899	2,769	35.80	33.20	29.2	35.0	36.7
East South Central	84.7	69.9	2,728	2,009	32.20	28.70	36.6	41.1	43.9
West South Central	300.0	159.8	6,156	3,464	20.50	21.70	34.3	49.6	48.2
Mountain	709.0	906.5	9,426	6,270	13.30	6.90	42.9	37.0	53.0
Pacific	235.9	225.7	12,686	10,826	53.80	48.00	48.0	49.1	52.0
UNITED STATES	193.5	161.7	6,716	4,760	34.70	29.40	38.8	43.1	47.2

1/ Computed from data published in "Cooperative Survey - Farm-Mortgage Indebtedness in the United States - Release No. 1 - Number of Mortgaged Farms," June 1943, and ibid. - "Release No. 2 - Amount of Farm-mortgage Debt," March 1944, issued jointly by the Bureau of the Census and the Bureau of Agricultural Economics.

In the South Atlantic States, mortgaged farms represented a smaller percentage of total acres and total value than in any other geographic division. In the East South Central States they represented next to the smallest percentage of the value for any division and the third lowest percentage of total acres (table 1). In the South Atlantic States mortgaged farms represented roughly 35 percent of both acreage and value of all farms, and in the East South Central States they represented a little over 40 percent of both acreage and value. In only two States in these two divisions - Mississippi and Kentucky - was the value per acre of mortgaged farms more than 20 percent higher than that of free-of-debt farms. The ratio of value per acre of mortgaged and free-of-debt farms in the East North Central Division was very close to that in the South Atlantic States, but the mortgaged farms in the East North Central States represented about 45 percent of both the acreage and the value of all farms in this division.

LENDER DISTRIBUTION OF FARM-MORTGAGE LOANS

The trend in farm-mortgage debt since the beginning of the war shows that farmers have used a considerable portion of their enhanced incomes of recent years to pay off their mortgage debts. In the 4 years, 1940-43, such liquidation has exceeded new borrowing by more than 950 million dollars. This over-all reduction in farm-mortgage debt also has been characteristic of the mortgage loans held by most of the major lender groups (appendix table 1). The amount of reduction, however, has not been uniform either among the several lender groups or by areas.

The Federal land banks and the Federal Farm Mortgage Corporation held mortgage loans on January 1, 1944 totaling only $1,883,000,000 in contrast to more than $2,723,000,000 on January 1, 1940. Life insurance companies held farm-mortgage loans amounting to $986,661,000 on January 1, 1944, an amount only slightly more than on January 1, 1940, but 77 million dollars lower than on January 1, 1942. Commercial bank holdings of farm-mortgage loans show a decline from $534,000,000 on January 1, 1940 to $448,000,000 on January 1, 1944. The Farm Security Administration farm-mortgage loans are the only ones to show a significant increase. This is due both to the kinds of loans made and to the newness of the program. On January 1,1940 total Farm Security Administration farm-mortgage loans outstanding were only $38,566,000 whereas on January 1, 1944 they totaled $176,595,000. The debt held by all other lenders shows a general reduction during the 4-year period 1940-44 but the decline has been small relative to the total amount held. On January 1, 1940 the amount held was estimated at $2,306,000,000 and for January 1, 1944 at $2,140,000,000.

The percentage distribution of the total debt among lender groups has changed significantly during the last few years. Whereas in the years just before January 1, 1940 the Federal land banks and the Federal Farm Mortgage Corporation held well over 40 percent of the total debt, by January 1, 1944 they held only 33.4 percent (table 1). Life insurance companies held 15 percent or less throughout the period from January 1, 1937 to 1940, but on January 1, 1944 they held 17.5 percent. Commercial banks on January 1, 1944 held about 8 percent, a slightly lower proportion than in the earlier period. Between January 1, 1943 and January 1, 1944, however, their percentage rose slightly. The Farm Security Administration now holds more than 3 percent of the mortgage debt, whereas they held less than 1 percent prior to 1941. "Other" lenders, which includes individuals, also held a higher proportion of the debt on January 1, 1944 than in the immediate pre-war period, although the current proportion represents largely a recovery from a low on January 1, 1941.

Table 1.- Percentage distribution of farm-mortgage debt outstanding by lender groups

Beginning of year	Total farm-mortgage debt	Percentage held by selected lender groups				
		Federal land banks and Land Bank Commissioner	Life insurance companies	Commercial banks	Farm Security Administration	Others
	Percent	Percent	Percent	Percent	Percent	Percent
1910	100.0	-	12.0	12.7	-	75.3
1920	100.0	3.5	11.5	14.3	-	70.7
1930	100.0	12.5	22.0	10.3	-	55.2
1935	100.0	33.8	17.2	6.6	-	42.4
1937	100.0	41.8	14.2	6.8	-	37.2
1939	100.0	42.2	14.5	7.7	0.2	35.4
1940	100.0	41.4	14.9	8.1	.6	35.0
1941	100.0	40.4	15.6	8.3	1.1	34.6
1942	100.0	38.8	16.4	8.2	1.9	34.7
1943	100.0	37.0	17.0	7.8	2.7	35.5
1944	100.0	33.4	17.5	8.0	3.1	38.0

Distribution of Debt in Regions by Selected Lenders

The Federal land banks and the Land Bank Commissioner, whose loans were 33.4 percent of the total debt on January 1, 1944, held more than 46 percent of the debt in the Mountain States and over 41 percent in the West South Central States (table 2). In both of these divisions the proportion held on January 1, 1944 was less than on January 1, 1940 when it was 47 percent in the Mountain and 49.8 percent in the West South Central States. Every division shows a decline in the proportion of the debt held by these federally sponsored agencies from 1940 to 1944. But the greatest decrease

Table 2.- Percentage of total farm-mortgage debt held by principal lender groups, by geographic divisions, January 1, 1940-44

Geographic division	1940					1941					1942				
	Federal land banks and Land Bank Commissioner	Life insurance companies	Joint stock land banks	Farm Security Administration	Others	Federal land banks and Land Bank Commissioner	Life insurance companies	Joint stock land banks	Farm Security Administration	Others	Federal land banks and Land Bank Commissioner	Life insurance companies	Joint stock land banks	Farm Security Administration	Others
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
New England	29.2	1/	0.0	0.1	70.7	28.6	1/	0.0	0.2	71.2	27.9	1/	0.0	0.3	71.8
Middle Atlantic	25.7	0.3	1.8	.3	71.9	25.6	0.4	1.6	.5	71.9	25.1	0.6	1.1	.8	72.4
East North Central	38.1	15.4	2.0	.2	44.3	36.7	16.1	1.7	.5	45.0	34.7	16.7	1.4	.9	46.3
West North Central	43.2	22.1	.9	.3	33.5	42.5	23.1	.7	.5	33.2	41.2	24.5	.6	.9	32.8
South Atlantic	44.8	8.2	3.2	1.9	41.9	42.3	8.2	2.4	3.5	43.6	38.9	8.5	1.0	5.8	45.8
East South Central	45.1	14.0	.7	2.1	38.1	42.7	14.4	.5	3.7	38.7	39.0	14.5	.2	6.0	40.3
West South Central	49.8	19.0	2.3	1.3	27.6	48.6	19.4	1.8	2.6	27.6	46.2	20.0	1.6	4.2	28.0
Mountain	47.5	6.0	1.1	.6	44.8	48.2	7.0	1.1	.9	42.8	48.8	8.2	.9	1.4	40.7
Pacific	36.7	6.4	.4	.1	56.4	36.8	6.5	.3	.3	56.1	36.2	6.6	.3	.5	56.4
UNITED STATES	41.4	14.9	1.4	.6	41.7	40.4	15.6	1.1	1.1	41.8	38.8	16.4	.9	1.9	42.0

Geographic division	1943					1944				
	Federal land banks and Land Bank Commissioner	Life insurance companies	Joint stock land banks	Farm Security Administration	Others	Federal land banks and Land Bank Commissioner	Life insurance companies	Joint stock land banks	Farm Security Administration	Others
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
New England	27.3	1/	0.0	0.5	72.2	25.3	1/	0.0	0.6	74.1
Middle Atlantic	24.7	0.6	.7	1.2	72.8	23.4	0.7	.6	1.4	73.9
East North Central	32.5	16.9	.9	1.5	48.2	29.1	16.3	.1	1.7	52.8
West North Central	39.3	26.3	.5	1.4	32.5	36.0	28.7	.3	1.6	33.4
South Atlantic	36.5	7.7	.2	8.4	47.2	32.4	7.4	1/	9.4	50.8
East South Central	35.1	13.7	1/	8.5	42.7	31.1	13.8	1/	9.7	45.4
West South Central	44.5	20.3	1.3	5.6	28.3	41.4	20.4	.2	6.7	31.3
Mountain	49.5	8.2	.9	1.8	39.6	46.2	8.1	1/	2.1	43.6
Pacific	34.8	6.9	.2	.7	57.4	28.9	6.2	.1	.9	63.9
UNITED STATES	37.0	17.0	.6	2.7	42.7	33.4	17.5	.2	3.1	45.8

1/ Less than 0.05 percent.

occurred in the South Atlantic and the East South Central States where the proportion fell more than 12 percent in the former and 14 percent in the latter. Both divisions include areas where Farm Security loans were being expanded. On January 1, 1940 Farm Security loans in the South Atlantic States were only about 2 percent of the total, whereas on January 1, 1944 they were 9.4 percent. In the East South Central States outstanding Farm Security Administration loans increased from 2.1 percent to 9.7 percent of total mortgage debt between these two dates.

In the West North Central States the proportion of the debt held by the Federal land banks and Federal Farm Mortgage Corporation dropped from 43.2 percent to 36.0 percent. This decline was largely offset by an increase in the proportion held by life insurance companies. The decline in the proportion of the debt held by the Federal agencies in other areas was absorbed mainly by "other" lenders.

FARM REAL ESTATE HOLDINGS OF SELECTED LENDERS

Under the impetus of a continued increase in land values and an active land market, farm real estate held by the major lenders fell nearly 40 percent during 1943. Land values for the country as a whole during the year ended March 1, 1944 rose 15 percent and the volume of sales was at a record level surpassing even the previous high reached in 1919. The index of land values was 114 on March 1, 1944 (1912-14 = 100) as compared with 99 on March 1, 1943 and 84 on March 1, 1940. The number of sales recorded in a sample of approximately 125 counties during 1943 were more than two-fifths above 1942.

The Federal land banks and the Federal Farm Mortgage Corporation reduced their investment in real estate from $54,757,000 on January 1, 1943 to only $25,846,000 on January 1, 1944 (table 1). This is only about one-sixth of their peak amount of farm real estate investment on January 1, 1940. Not all of the real estate disposed of has been sold outright. A considerable portion was sold on a sales contract. On January 1, 1944 investments in such contracts totaled $72,174,000 compared with $83,249,000 the year before. The reduction in 1943 represents a reversal of the trend in evidence during the late thirties and early forties.

Life insurance companies hold by far the largest amount of farm real estate, but the book value of their holdings on January 1, 1944 was less than one-third of the book value of such holdings at the peak on January 1, 1937 and about 61 percent of their holdings on January 1, 1943. As with

Table 1.- Acquired farm real estate held by selected lending agencies, United States, January 1, 1930-44

Year	Federal land banks and Federal Farm Mortgage Corporation 1/	Life insurance companies 2/		Joint stock land banks 3/	Insured commercial banks 4/	Three State credit agencies 5/
		Real estate held outright	Real estate plus sales contracts			
	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.
1930	29,517	107,058	120,020	19,685	6/	26,860
1931	36,865	123,403	151,229	22,202	6/	33,511
1932	53,588	190,694	219,947	37,957	6/	39,008
1933	83,158	287,773	316,931	71,741	6/	47,454
1934	96,632	428,331	465,072	85,740	6/	56,094
1935	96,666	558,211	600,873	81,700	6/	60,270
1936	119,864	588,761	646,280	78,204	7/ 74,166	61,531
1937	134,754	634,005	713,166	72,781	69,525	68,444
1938	132,038	612,120	705,207	62,030	56,311	72,040
1939	139,229	607,358	8/ 702,961	53,885	49,143	71,846
1940	155,237	599,653	700,530	46,827	42,045	68,324
1941	134,180	547,637	673,600	36,172	33,373	60,900
1942	91,816	441,772	597,796	25,130	22,841	53,498
1943	54,757	336,233	487,731	18,306	9/ 19,532	44,145
1944	25,846	205,410	351,878	6/	6/	36,159

1/ Investment. Includes sheriffs' certificates and judgments, but excludes prior liens.
2/ Book value - partially estimated.
3/ Carrying value. Includes sheriffs' certificates and judgments. Real estate held by banks in receivership included at book value.
4/ Book value.
5/ Investment. Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota.
6/ Data unavailable.
7/ June 30.
8/ Revised.
9/ June 30, 1942.

the federally sponsored agencies, life insurance companies have a substantial investment in sales contracts. On January 1, 1943 such investment totaled $151,498,000 and this decreased to $146,468,000 on January 1, 1944.

Complete figures are not available on the progress of the joint stock land banks in liquidating their investment in real estate. On January 1, 1943 the total investment of both joint stock land banks in liquidation and those in receivership totaled $18,306,000. Of this total $13,728,000 was held by banks in liquidation. Between January 1, 1943 and June 30, 1944 the investment in real estate for the banks in liquidation fell to $3,330,000. It is probable that the real estate held by the banks in receivership would show a similar reduction.

The investment of the three State credit agencies in farm real estate shows a reduction from $44,145,000 on January 1, 1943 to $36,159,000 on January 1, 1944. Figures on the investment of commercial banks in farm real estate have not been available since June 30, 1942 when the figure was $19,532,000.

In the interpretation of the foregoing data on farm real estate investments, it should be borne in mind that changes in the investment figures do not accurately measure changes in the market value of farm real estate on hand. For the Federal agencies and life insurance companies, market value of farm real estate on hand now is generally higher than the investment or book value. On the other hand, the investment figures given for one of the three State credit agencies appears to be considerably higher than market value. The investment in real estate held by the South Dakota Rural Credit Board on June 30, 1944 is reported as $27,543,863 and the number of acres owned as 155,829, thus indicating an average investment per acre of $177. During the year ended June 30, 1944 the reduction in the investment amounted to only $1,169,653, whereas the reduction in land held amounted to 342,891 acres. The average decrease in investment per acre for land disposed of in this period thus was less than $3.50. No doubt the high real estate investment figure reflects an accumulation of losses (investment minus sales price) not only on real estate sold during the last year but also in earlier years.

HIGHLIGHTS OF FEDERAL LAND BANK AND FEDERAL FARM MORTGAGE CORPORATION OPERATIONS

Total Loans Held

Total farm-mortgage loans held by the Federal land banks and the Federal Farm Mortgage Corporation on January 1, 1944 amounted to $1,882,-637,000 in contrast to $2,262,135,000 a year earlier.1/ The decline has continued during the first half of 1944 and on June 30 the amount held by these agencies was $1,722,095,000. The rate of decrease for the Federal Farm Mortgage Corporation has been somewhat faster than for the land banks. The reduction during 1943 was about 21 percent for the Corporation but only about 15 percent for the land banks. This is a somewhat larger decrease than occurred during 1942 and considerably larger than that for 1941. The rate of decline for both agencies continued to be high in the first half of 1944 when outstanding loans decreased about 8 percent for the land banks and 9 percent for the Corporation.

1/ These figures are not comparable with figures previously published in the Agricultural Finance Review because of a revision of the data to include purchase-money mortgages and sales contracts as well as regular mortgages. This revision has been carried back to 1930. See appendix table 1.

Loans Closed

Contrary to the decline which occurred between 1941 and 1942, the volume of new loans closed increased during 1943.[2] Loans closed for both agencies in 1941 were $102,600,000 but were only $82,508,000 in 1942. In 1943 the total increased to $92,397,000. Increases were recorded in loans closed for both the land banks and the Corporation. In the first 6 months of 1944 this tendency continued, with new loans closed by the land banks and the Corporation during this period being nearly 57 million dollars as compared with about 52 million in the first 6 months of 1943. This increase occurred despite the fact that new loans closed in the second quarter of 1944 were about 3 million dollars less than in the second quarter of 1943.

Loan Liquidation

Increased principal liquidation during 1943 more than offset the larger volume of new loans closed during the year. During 1943, total liquidation of loans amounted to more than 443 million dollars compared with about 329 million during 1942 and 241 million during 1941. For the first half of 1944 liquidations have already totaled more than 206 million dollars.

Conditional Payments

Conditional payments in the form of advances made by farmers on obligations for either principal or interest not yet due continued to be received in substantial volume. During the first half of 1944 these payments to the Federal land banks totaled $8,308,651 as compared with $9,866,263 in the first half of 1943. Such payments received by the Corporation were similarly less in the first half of 1944 than in the first half of 1943 when they totaled $1,997,673 and $2,590,828 respectively.

Total conditional payments held by the banks increased despite the drop in amounts received. This indicates that the amount used to offset maturing obligations during the first half of 1944 was less than in the other half-year periods. Farmers met their maturities from their cash balances and income instead of from advances already made to the bank or to the Corporation. On June 30, 1944 the amount of advance payments made by borrowers to the land banks and to the Corporation still outstanding totaled $21,769,527 and $4,817,957 respectively. On January 1, 1944 these totals were $21,074,157 and $4,649,090, and on June 30, 1943 they were $19,293,648 and $4,215,336. A break-down of these payments by Farm Credit Administration districts is shown in table 1. The amount of conditional or advance payments averages 1.65 percent of the amount of loans outstanding for the United States as a whole but was as high as 3.7 percent for the Spokane District. Percentages for other districts are shown in table 2.

2/ Loans closed do not include purchase-money mortgages made nor sales contracts entered into as such information is not now available.

Table 1.- Federal land banks and Federal Farm Mortgage Corporation: Conditional payments received and outstanding by Farm Credit districts, for selected periods, 1943-44

District	Received: Jan. 1, 1943 through June 1943	Received: June 30, 1943 through Dec. 1943	Received: Jan. 1, 1944 through June 1944	Outstanding: Jan. 1, 1943	Outstanding: June 30, 1943	Outstanding: Jan. 1, 1944	Outstanding: June 30, 1944
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
				FEDERAL LAND BANKS			
pringfield	172,332	135,765	94,327	247,806	324,152	316,162	324,621
altimore	180,720	179,667	148,664	229,413	306,878	363,615	412,910
olumbia	385,722	374,752	309,826	514,719	756,681	800,059	850,566
ouisville	728,980	508,451	445,315	905,386	1,216,435	1,283,937	1,208,427
ew Orleans	219,401	151,979	161,948	339,433	494,535	466,414	562,239
t. Louis	1,500,935	1,204,255	1,059,751	2,247,824	2,895,817	3,118,972	3,138,034
t. Paul	755,312	630,469	502,239	1,272,050	1,582,787	1,647,467	1,624,494
maha	1,597,572	2,146,840	1,919,430	3,272,850	4,353,544	4,820,752	4,814,331
ichita	767,114	825,070	672,215	1,056,916	1,311,696	1,537,892	1,676,730
ouston	1,359,598	1,182,983	1,174,639	1,768,374	2,227,236	2,401,658	2,779,543
erkeley	1,042,754	929,640	784,511	1,155,123	1,708,097	1,884,908	1,976,579
pokane	1,155,823	1,512,644	1,035,786	1,721,164	2,115,790	2,432,321	2,401,053
Total	9,866,263	9,782,515	8,308,651	14,731,058	19,293,648	21,074,157	21,769,527

FEDERAL FARM MORTGAGE CORPORATION

District	Received: Jan. 1, 1943 through June 1943	Received: June 30, 1943 through Dec. 1943	Received: Jan. 1, 1944 through June 1944	Outstanding: Jan. 1, 1943	Outstanding: June 30, 1943	Outstanding: Jan. 1, 1944	Outstanding: June 30, 1944
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
pringfield	62,208	58,021	34,851	75,068	108,744	119,888	119,288
altimore	46,812	44,527	25,074	49,414	71,418	91,675	86,849
olumbia	229,938	281,879	189,073	328,256	457,654	536,912	569,037
ouisville	139,315	72,467	78,186	140,730	189,129	179,643	172,784
ew Orleans	41,750	26,992	17,755	53,423	80,527	69,290	72,531
t. Louis	326,141	231,411	202,775	309,639	481,554	511,017	506,886
t. Paul	199,263	174,695	131,895	283,102	363,189	395,107	400,357
maha	252,966	334,292	332,115	357,921	584,897	656,347	694,647
ichita	215,273	237,086	187,011	229,141	309,393	384,804	413,262
ouston	340,930	270,004	264,090	358,286	470,973	483,135	558,080
erkeley	405,729	363,238	279,738	337,579	540,213	596,044	628,192
pokane	330,503	427,230	255,110	448,150	557,645	625,228	596,044
Total	2,590,828	2,521,842	1,997,673	2,970,709	4,215,336	4,649,090	4,817,957

Table 2.- Conditional payments as a percentage of loans held, by Farm Credit districts, June 30, 1944

District	Federal land banks	Federal Farm Mortgage Corporation	Total
	Percent	Percent	Percent
Springfield .	0.56	0.51	0.55
Baltimore ...	.82	.73	.81
Columbia	1.94	1.88	1.91
Louisville ..	1.20	.64	1.08
New Orleans .	1.10	.56	.99
St. Louis ...	2.56	1.62	2.37
St. Paul	.85	.63	.79
Omaha	1.87	1.25	1.76
Wichita	1.70	1.25	1.59
Houston	2.06	1.80	2.01
Berkeley	2.62	2.12	2.48
Spokane	3.87	3.13	3.69
UNITED STATES	1.75	1.31	1.65

Collections

Further evidence of the favorable debt situation of borrowers of the land banks and the Corporation is found in the increased percentage ratio of collections to the amount collectible. During the fiscal year ended June 30, 1942 this percentage was only 79.2 percent. For the next fiscal year the percentage collected increased to 86.1 and for the fiscal year ended June 30, 1944 it was 90.8 percent. In this last fiscal year only 3.8 percent of the loans of the land banks were classified as delinquent and only 6.1 percent of the Corporation loans were so classified. The loan payments due which were neither collected nor classified as delinquent were deferred, extended, or otherwise administratively handled.

Real Estate

The investment in real estate of the Federal land banks and the Corporation on January 1, 1944 is given as $25,846,000. This is a reduction of nearly $29,000,000 since January 1, 1943. While this is not so large an absolute reduction as occurred during 1942, it is a considerably larger percentage reduction. Holdings on January 1, 1943 were about 40 percent less than a year earlier, whereas on January 1, 1944 holdings were about 53 percent less than on January 1, 1943. A further discussion of the real estate holdings of these two agencies relative to the holdings of other specified lenders will be found on p. 56 ff.

NONREAL ESTATE AGRICULTURAL LOANS OF COMMERCIAL BANKS

Nonreal estate (short-term) loans to farmers by commercial banks on July 1, 1944 (excluding loans under purchase agreement with the Commodity Credit Corporation) totaled 970 million dollars. This was 7 percent greater than the 907 million dollars of such loans outstanding on January 1, 1944, and 2 percent larger than the 952 million dollars outstanding on July 1, 1943. Although the increase in loans from January to July 1944, represents mainly the usual seasonal movement, the increase from July 1943 to July 1944 suggests a slight upward trend. Rising costs of production are undoubtedly the main reason for the expansion in short-term credit.

Compared with July 1, 1943 the greatest increases, 19 percent and 16 percent respectively, occurred in the New England and South Atlantic divisions. The only areas in which agricultural loans of commercial banks were less on July 1, 1944 than a year earlier were the East North Central and West North Central divisions (table 1). In these divisions unusually good incomes have made it possible for many farmers to finance production with less credit. Then, too, it is probable that in those areas fewer feeder cattle are being purchased because of the lower supplies of feed.

Table 1.- Nonreal estate agricultural loans of insured commercial banks, by geographic divisions, July 1, 1943-44

Geographic division	Nonreal estate loans (excluding Commodity Credit Corporation loans)			Loans guaranteed by the Commodity Credit Corporation		
	July 1, 1943	July 1, 1944	Percentage change	July 1, 1943	July 1, 1944	Percentage change
	1,000 dollars	1,000 dollars	Percent	1,000 dollars	1,000 dollars	Percent
New England	8,835	10,551	+ 19	18,303	62,094	+ 239
Middle Atlantic ..	39,696	41,598	+ 5	26,224	65,934	+ 151
East North Central	131,562	129,455	- 2	8,168	14,934	+ 83
West North Central	319,535	294,219	- 8	100,676	26,706	- 73
South Atlantic ...	54,721	63,508	+ 16	23,775	47,773	+ 101
East South Central	60,775	63,765	+ 5	13,223	41,891	+ 217
West South Central	159,898	169,458	+ 6	128,963	195,610	+ 52
Mountain	91,988	102,010	+ 11	27,301	19,259	- 29
Pacific	85,220	95,588	+ 12	17,522	29,900	+ 71
UNITED STATES ..	952,230	970,152	+ 2	364,155	504,101	+ 38

Commercial bank loans covered directly or indirectly by purchase agreements with the Commodity Credit Corporation increased from 364 million dollars on July 1, 1943 to 504 million dollars on July 1, 1944. The increase occurred mainly in the cotton-growing States, where price-supporting activities continue to be important. A large part of the loans shown for the New England and Middle Atlantic divisions represent operations of city banks in connection with CCC programs relating to such farm products as wool and cotton produced outside these divisions. In the West North Central Division the volume of CCC loans has declined substantially during the last several years. Strong demand for corn and wheat at good prices has lessened the need for loans except in connection with seasonal storage and marketing operations.

PRODUCTION CREDIT ASSOCIATION LOANS

The production credit associations held a record volume of loans on July 1, 1944. The 266 million dollars reported outstanding was 11.6 million greater than the amount on July 1, 1943 (appendix table 10). Increases over last year in the amount of loans outstanding occurred in most of the States and were particularly pronounced in the Cotton Belt. For nine States in the Cotton Belt loans outstanding on July 1, 1944 were 9 million dollars greater than a year earlier. In contrast, five Middlewestern States - Illinois, Iowa, Missouri, Kansas, and Nebraska - showed an aggregate decline of 7.5 million dollars. The decline in PCA loans for these States was similar to that shown by commercial banks. High net income, which has made possible large repayments and which has reduced the need for new operating credit, has been the main cause of the decrease in debt in the Midwest.

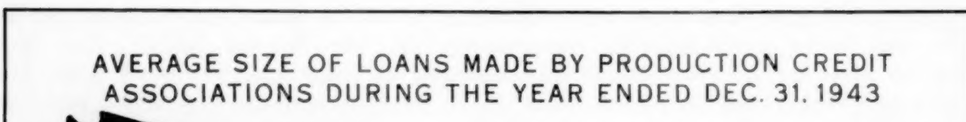
The number of farmers obtaining loans from the production credit associations during the first half of 1944 was somewhat smaller than the number in the first half of 1943 (table 1). The total amounts loaned in the two periods, however, were approximately the same.

For the first half of 1944 new loans, on the average, were $58 larger than those made during the corresponding period of 1943. This continues an upward trend in the average size of new loans which has remained unbroken since 1934 - the first full year of operation of the production credit system. In that year the average size of loans was $802. The average size of new loans in 1943 was $2,160. This increased use of production credit per farmer reflects in part the higher costs of production and the expanded farm operations.

Table 1.- Loan operations of production credit associations, 1943-44

	1943	1944
Loans made first 6 months:		
Number	153,650	148,967
Amount	$269,089,000	$269,422,000
Average size	$ 1,751	$ 1,809
Loans outstanding on June 30:		
Number	206,343	201,102
Amount	$254,841,000	$266,396,000
Average size	$ 1,235	$ 1,325

The average size of loans made in different geographic areas is mainly determined by the type and scale of farming. In the South where farms of small crop acreages predominate, the credit needs for each season's operations are not great. In other areas where farm units are large and involve expensive equipment, large numbers of livestock, or considerable hired labor, the amount of credit needed is greater (fig. 1).



U. S. DEPARTMENT OF AGRICULTURE NEG. 43930 BUREAU OF AGRICULTURAL ECONOMICS

RURAL REHABILITATION LOANS OF THE FARM SECURITY ADMINISTRATION

Rural rehabilitation loans made by the Farm Security Administration during the first half of 1944 totaled 43.4 million dollars. This was a substantial decrease from the 79 million dollars loaned during the corresponding period of 1943. The volume of such loans in any one year is limited by the amount of funds allotted by Congress. For the fiscal year ended June 30, 1943 the allotment was 97.5 million dollars. For the fiscal year ended June 30, 1944 the allotment was 67.5 million dollars. The allotment for the current fiscal year is the same as for last year.

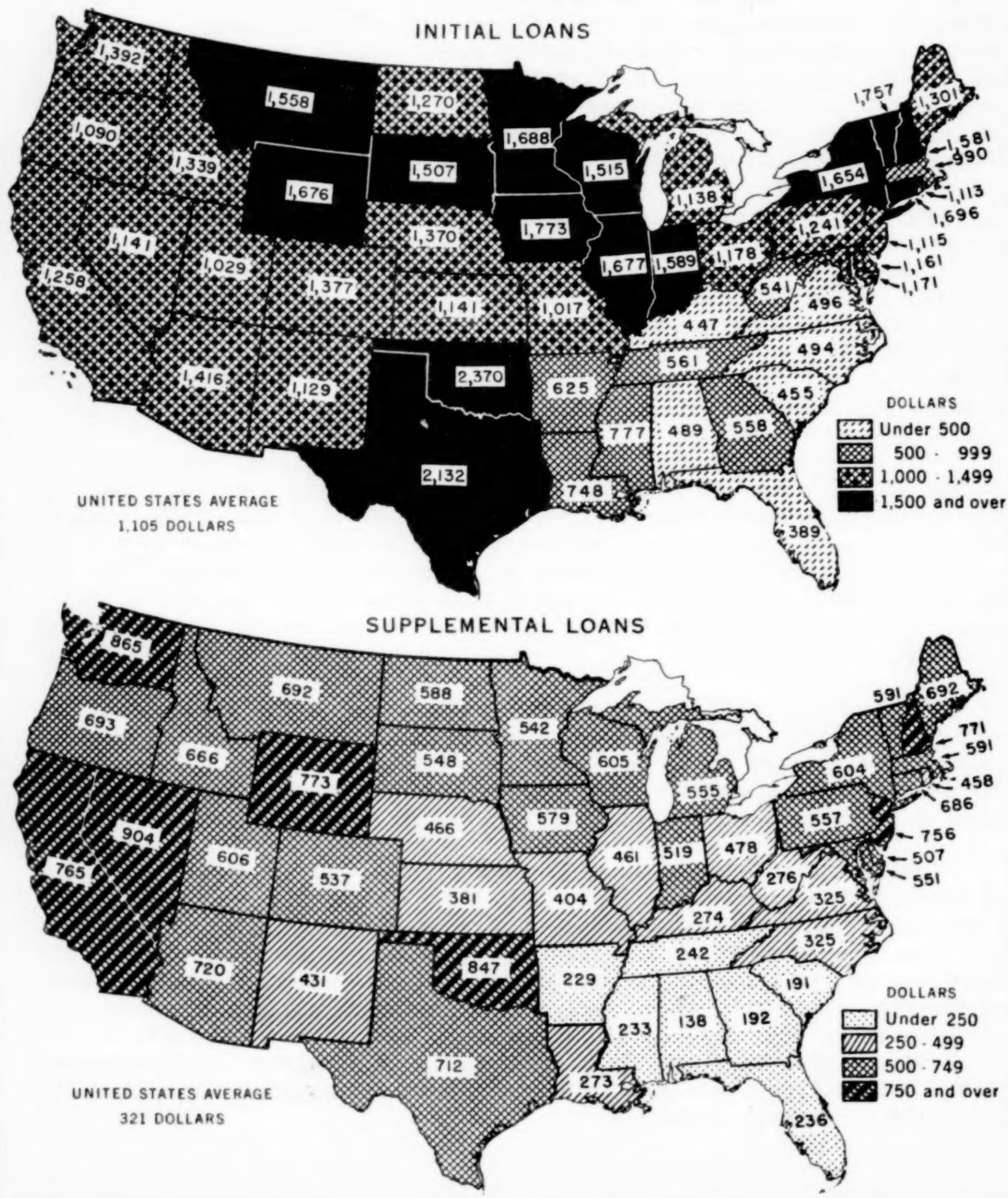
Rural rehabilitation loans are divided into two classes - "initial" and "supplemental." Initial loans are the original loans that farmers receive when first coming into the FSA program. They provide capital to establish the farmer on a profitable farming basis and operating funds for the first year. Supplemental loans are made to existing FSA borrowers. Primarily these are to provide seasonal operating funds. Of the 67 million dollars of rural rehabilitation loans made in the year ended June 30, 1944 approximately one-third were initial and two-thirds supplemental loans.

The average size of initial loans made in the year ended June 30, 1944 was $1,105. For the year ended June 30, 1943 they averaged $766. In the pre-war year ended June 30, 1940 the average size was $580. Supplemental loans made during the year ended June 30, 1944 averaged $321. For the fiscal years 1940 and 1943 these supplemental loans averaged $214 and $286 respectively. For the most part, this upward trend in size of individual loans is indicative of increasing costs of livestock, equipment, fertilizer, feed, and labor.

The average sizes of initial and supplemental loans made during the year ended June 30, 1944 are shown, by States, in figure 1. The pattern is similar to that of PCA loans. In the Old South, loans on the average are relatively small, whereas in other areas where capital requirements and operating expenses are greater, loans are larger.

During the year ended June 30, 1944 the number of rural rehabilitation borrowers declined from 610,167 to 536,528. During this same period the volume of loans outstanding decreased from 378.5 to 342.2 million dollars. (See appendix table 12.) This downward trend reflects mainly the generally improved financial condition of the class of farmers who borrow from the FSA. The percentage decline in loans outstanding was rather uniform for most of the States, but there were significant increases in New York, Pennsylvania, Maryland, Virginia, and West Virginia. Approximately half the outstanding loans are in the South Atlantic, East South Central, and West South Central divisions.

AVERAGE SIZE OF RURAL REHABILITATION LOANS MADE BY THE FARM SECURITY ADMINISTRATION DURING FISCAL YEAR ENDED JUNE 30, 1944



U. S. DEPARTMENT OF AGRICULTURE   NEG. 43931   BUREAU OF AGRICULTURAL ECONOMICS

FIGURE I

EMERGENCY CROP AND FEED LOANS

Emergency crop and feed loans made by the Farm Credit Administration during the first 6 months of 1944 totaled 92,360 in number. This was nearly 15 percent less than the number of loans made during the first half of 1943. In the 1944 period, however, the average size of loan was $183 compared with $155 in the 1943 period. The total amount loaned during the first 6 months of both 1943 and 1944 was approximately the same - $16,775,-049 and $16,874,507. For the last few years about three-fourths of all new loans have been made in the South Atlantic, East South Central, and West South Central divisions. Of loans made during the first half of 1944, 96 percent were for crop production; the remaining 4 percent were feed loans.

Loans held by the Emergency Crop and Feed Loan Office, as of June 30, 1944, totaled 157.5 million dollars. The year before the amount outstanding was 166.3 million dollars (appendix table 12). More than three-fourths of the amount unpaid on June 30, 1944 was from loans made before 1937. A substantial proportion of these old loans were made in the West North Central Division in the drought and depression years.

Of the emergency crop and feed and drought-relief loans made before 1937, 32 percent remained outstanding on June 30, 1944, but the repayment record of loans made in the period 1940-43 has been much better. Only 8½ percent of the amount loaned in those years remains outstanding.

Emergency crop and feed loans are limited to $400 to one farmer. They are intended primarily for the small low-income farms where there often is difficulty in obtaining production credit from regular sources. Need for such loans has been declining for several years. Improved farm incomes have financed the crop-production expenses even of many small farms and off-the-farm employment has made it unnecessary to farm some of the less efficient units.

REGIONAL AGRICULTURAL CREDIT CORPORATION LOANS

The law providing for the regional agricultural credit corporations was enacted in 1932. At the height of their lending activities in 1933 there were 12 corporations and 25 branches in operation. Since April 30, 1934 - about the time the new production credit system entered this lending field - the principal activity of RACC has been the orderly liquidation of outstanding loans. At that time RACC loans totaled 145 million dollars. On June 30, 1944 the balance remaining on the old loans had been reduced to $202,421.

Despite the general liquidation program the RACC organization has been used to extend credit in certain emergencies. One of these occasions was in February 1941 when loan operations were resumed in the State of Washington in the Wenatchee area where fruit growers had encountered serious financial difficulties. Out of a total of 22½ million dollars of fruit loans made in this area about 2½ million remained outstanding on June 30, 1944.

In 1943 the RACC lending operations were again temporarily resumed in connection with the wartime food production program. The purpose of this financing was to assure food production that might not otherwise be possible because of lack of credit. Approximately 65 million dollars was loaned that year. Of these loans 30 million dollars were special war-crop "advances," made to finance some of the high-risk crops or those crops for which greatly expanded production was needed. Under certain conditions, such as a crop failure, the liability of the borrower for the repayment of the advance was limited to the proceeds of the financed crop. Of the "advances" made in 1943, $1,365,181 had been canceled without payment by June 30, 1944.

This wartime loan program of RACC was greatly curtailed in 1944. The food production loans made by RACC during the first 6 months of 1943 totaled 53.3 million dollars, but such loans (excluding renewals on 1943 loans) totaled only 3.1 million during the same period of 1944. All of the loans made in 1944 have been full-liability loans and have been restricted to selected crops in certain areas designated by the Secretary of Agriculture. The interest rate has been increased from 5 to 5½ percent and a service charge of one-half of 1 percent has been added. Further, before a loan may be approved it must be established that no loan is available from other sources. The amount of food production loans outstanding on June 30, 1943 and June 30, 1944 were $51,598,000 and $17,873,000 respectively, the latter amount representing largely loans carried over from 1943 (appendix table 11).

RURAL ELECTRIFICATION DEVELOPMENTS

In significant respects the Rural Electrification Act of 1936 was amended on September 21, 1944, when the President signed the so-called Pace bill. The outstanding changes brought about by Title V of that law are: (1) Lower interest rates and longer-term loans for Rural Electrification Administration borrowers, (2) removal of specific limits on funds available to REA, and (3) an indefinite extension of life for this agency.

The importance of the new provisions becomes evident when they are reviewed in the light of the history of rural-electrification developments. REA was first set up in May 1935 under an Executive order following the passage of the Emergency Relief Appropriation Act. During that year REA spent about 14 million dollars on the program assigned to it. In 1936, Congress recognized the need for a long-term program and enacted a law providing funds to REA for the 10-year period ending June 30, 1946. For the year ended June 30, 1937 it authorized a loan of 50 million dollars from the Reconstruction Finance Corporation. For each of the succeeding 9 years, 40 million dollars was to be allotted, making a total for the 10 years of 410 million dollars. Additional loans from RFC and special appropriations by Congress in some of the years, bring the total so far allotted to REA to about 502 million dollars.

Under the 1936 legislation REA paid 3 percent on money borrowed from RFC. The interest rate on loans made by REA was 3 percent during the fiscal year ended June 30, 1936. Since then, the rate for loans made in any year by REA has been established by law at the average rate paid by the United States Government on its obligations having maturity of 10 or more years and issued in the preceding year. Under this formula the interest rate to borrowers of REA has ranged between 2.46 percent and 2.88 percent. Accordingly, REA has sustained losses in reloaning the money borrowed from RFC.

As now amended, the law authorizes and directs RFC to make loans to REA at a rate of 1 3/4 percent. Interest rates on unpaid balances of loans outstanding from RFC are also to be reduced to 1 3/4 percent. REA borrowers will pay 2 percent on outstanding balances as well as on new loans. This gives REA a spread of one-fourth of 1 percent to apply toward its expenses. The maximum term of loans by REA is raised to 35 years. Previously, 25 years was the longest term authorized. Furthermore, the limit on the amount of money that may be allotted to REA is removed and the section of the 1936 act which would terminate appropriations on June 30, 1946 is eliminated.

The existing law should encourage the extension of electric lines into numerous additional rural areas, including some of the more thinly settled. The longer-term maturities and the lower interest rates will permit loans in some localities where repayment of loans under previous rates and terms would not have been possible.

Loan Activities

By January 1, 1944 REA had made loans of approximately 378 million dollars (appendix table 17). Of these loans, 95 percent were to cooperative associations, 4 percent to public bodies such as municipalities, public power districts, and irrigation districts, and 1 percent to private utilities. So far, practically all of the loans have been used for constructing lines and building generating plants. Between 1 and 2 percent of the funds were reloaned by the cooperative associations to individuals for installation expenses. Loans outstanding on January 1, 1944 totaled 346.6 million dollars.

More than a million rural customers have been connected with central power plants by REA since the program began in 1935. But since July 1942, because of the shortage of critical materials, extensions of power lines have been restricted to farms that qualify under regulations of the War Production Board. Funds on hand from past appropriations and borrowings exceed 100 million dollars. Projects for the use of this money have been approved and actual construction awaits the relaxation of restrictions on the use of material and labor. All told, approximately 2½ million out of the 6 million farms in the United States are now connected with central power plants.

INDEXES OF DEPOSITS OF COUNTRY BANKS

This issue of the Agricultural Finance Review carries indexes of demand, time, and total deposits of country banks in agricultural areas (appendix tables 29, 30, 31). 1/ The time and total deposit series are shown for the first time. Those for demand deposits represent revisions of series previously shown.

These indexes probably reflect with reasonable accuracy the relative changes in deposits owned by farmers. The series are based on deposits in member banks of the Federal Reserve System located in places of less than 15,000 population in selected agricultural States. The deposit series for each State is weighted in proportion to each State's cash farm income in the base period. In agricultural areas the interrelationship between the prosperity of agriculture and that of the rural community is very close. Hence, except for seasonal differences, an index of deposits in banks located in towns of less than 15,000 population is believed to reflect the direction of change and to a considerable degree the amplitude of change in the deposits of farmers. Such an index does not reflect any seasonal shift of country-bank deposits between farmers and nonfarmers. Moreover, the Government war loan accounts recently have tended to give an upward bias of 10 to 18 percent to the demand-deposit indexes. This bias should be taken into account in any interpretation of the indexes.

The basic data are deposits reported by banks in places of less than 15,000 population. Since 1940, the places have been classified according to the 1940 Census. Data for the period before 1940 have been adjusted to a comparable basis.

Before 1936 the index for demand deposits was based on the reported "net demand deposits." Then came a period of several years during which the index was based on "gross demand deposits." Beginning with May 1943,

1/ Monthly relatives 1924 to date may be obtained upon request to Division of Agricultural Finance, BAE, U. S. Department of Agriculture, Washington 25, D. C.

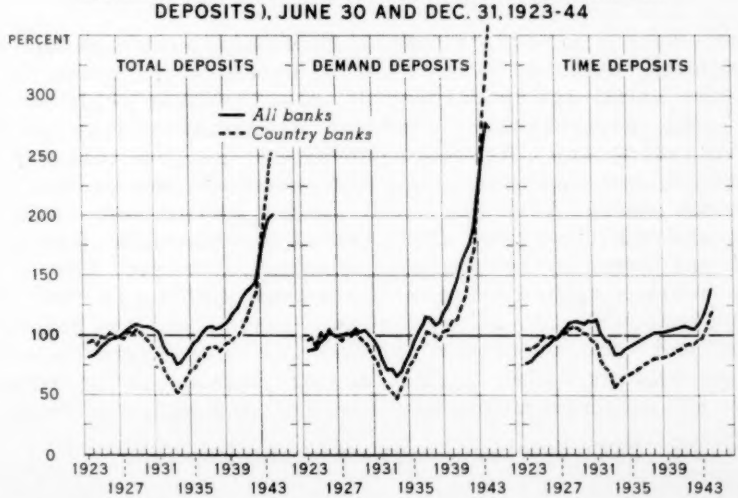
however, the basic data provided by the Federal Reserve System excluded interbank items from the gross demand deposit figure; this made the later basic data reasonably comparable with the earlier reported "net demand deposits." For the period 1936 through April 1943 adjustments were made which excluded interbank items; this makes the basic data from which the indexes were constructed reasonably comparable throughout the period. The revision changes the index for the 20 leading agricultural States only slightly for most of the years.

Several changes have been made in the geographic groupings of the States. Indexes of deposits have been based on data for 31 States in which agriculture is important. The Corn Belt has been redefined to include only Illinois, Indiana, Iowa, Missouri, and Ohio. Formerly Minnesota and Nebraska were included with this group. Minnesota has been transferred to a new group, designated as the Lake States, which also includes Michigan and Wisconsin. Nebraska has been transferred to a new group known as the Great Plains, which includes North and South Dakota and Kansas. The region formerly called the Range States is now called Mountain States. Texas-Oklahoma has been set off as a new region. The 8 cotton States are considered a single group as before but continue to include Oklahoma. The index for the 20 leading agricultural States will continue to serve as an index for the Nation as a whole.

During the war years total deposits in country banks have increased to a greater extent in Texas-Oklahoma than in the other State groupings for which indexes are available. Next in order of importance in the percentage increase of such deposits are the Corn Belt, Mountain States, cotton States, Great Plains, and finally the Lake States.

It appears from the 20-State index that total deposits in country banks in agricultural areas have increased at a considerably greater rate during war years than have deposits of all banks (fig. 1). The relative

DEPOSITS OF COUNTRY BANKS COMPARED WITH ADJUSTED DEPOSITS OF ALL BANKS (EXCLUDING U. S. GOVERNMENT DEPOSITS), JUNE 30 AND DEC. 31, 1923-44



U. S. DEPARTMENT OF AGRICULTURE NEG. 43619 BUREAU OF AGRICULTURAL ECONOMICS

increase is particularly striking in the case of demand deposits. Thus the index of demand deposits of country banks has increased more rapidly than the comparable index of all banks. In contrast, the index of time deposits of country banks has increased less rapidly than the comparable index of all banks.

SERVICEMEN'S READJUSTMENT ACT OF 1944

The Servicemen's Readjustment Act of 1944, 1/ generally known as the "GI Bill of Rights," provides various benefits to both men and women veterans of World War II. Among the benefits are certain provisions with respect to loans.

Qualified veterans under certain conditions may apply to the Administrator of Veterans' Affairs "for the guaranty by the Administrator of not to exceed 50 per centum..." of loans for certain purposes related to the purchase or improvement of a home, a farm, or a business, provided that "the aggregate amount guaranteed shall not exceed $2,000." Before the Administrator may undertake such a guaranty he must have found that the veteran is eligible and that the loan appears "practicable." Provision is made for the payment by the Administrator of interest for the first year on that part of the loan which has been guaranteed. The rate of interest charged by the lender whose loan has been guaranteed may not exceed 4 percent nor may the term of the loan exceed 20 years. The Administrator may guarantee loans to veterans "on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal (Sec. 500)."

When a Federal agency has made, guaranteed, or insured a loan relating to the home, farm, or business of a veteran, and there is need of a "second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, including the limitation of $2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan: Provided, that such second loan shall not exceed 20 percent of the purchase price or cost and that the rate of interest thereon shall not exceed that on the principal loan by more than 1 percent..." (Sec. 505 (a)). For example, if a veteran wishes to purchase a home costing $6,000, it appears that he could borrow $4,800 on a mortgage insured by the Federal Housing Administration and the remainder ($1,200) on a mortgage insured by the Veterans Administration. The $1,200 second loan would be within the 20 percent limit of purchase price specified by the act. By regulation the

1/ Public Law 346, 78th Congress, approved June 22, 1944.

second loan may not bear more than 4 percent interest. This does not prevent the lender from charging the usual $4\frac{1}{2}$ percent plus one-half of 1 percent FHA insurance fee for the first mortgage loan. Except for home loans the regulations are not available at the time this is written.

With reference specifically to farms and farm equipment, Sec. 502 of the act provides "for the guaranty of a loan to be used in purchasing any land, buildings, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations..." As indicated above such loans are limited to 50 percent of the amount of the loan, the guaranty in no case to exceed $2,000.

Before the Administrator may approve a loan for the purchase of farms or farm equipment he must have determined that the proceeds of the loan shall be used for the intended "bona fide farming operations" conducted by the veteran. The Administrator also must have determined that such property will be useful in, and reasonably necessary for the efficient conduct of such operations.

In order to protect veterans from ill-advised ventures into farming, the Administrator is required among other things to determine that the ability and experience of the veteran and the nature of the proposed farming operations are such that there is a reasonable likelihood that he will be successful; and that the purchase price does not exceed the reasonable normal value.

The Administrator of Veterans' Affairs may utilize the services of other existing agencies in the conduct of these new responsibilities. The act provides "the Administrator shall designate such agency or agencies, if any, as he finds equipped to determine whether the guaranty of loans shall be approved under this title" (Sec. 505). At the time of writing the nature of these arrangements has not been announced.

The benefits of the Bankhead-Jones Farm Tenant Act whereby under certain conditions tenants may obtain credit from the Farm Security Administration for the purchase or operation of farms are made available to eligible veterans, provided the Secretary of Agriculture finds that the veteran, by reason of ability and experience including training as a vocational trainee, is likely to be successful. If funds become available, veterans who are unable to obtain adequate loans from other sources may be able to obtain a substantial volume of 100-percent loans under this act. The veteran would be entitled to the flexible amortization provisions of the FSA loans and he would have the advantage of the skilled supervision given by FSA to those of its borrowers who need guidance.

NONREAL ESTATE LOANS TO FARMERS BY PRINCIPAL CREDIT INSTITUTIONS

Appendix table 3, "Nonreal estate loans to farmers by principal lending agencies," replaces the table which has appeared in previous issues of the Agricultural Finance Review under the title "Short-term loans to farmers held by selected lending agencies." The present table is an amplification and refinement of the former table but in some minor particulars it omits details presented in the other.

The title is changed in consideration of the fact that many of the loans not secured by farm mortgages are of an intermediate rather than a short-term character. Moreover, some real estate mortgage loans are short term.

The revised table provides a total of the nonreal estate loans to farmers by principal credit institutions. It does not include loans made to farmers by merchants and other miscellaneous lenders for which data are unavailable.

The revised table presents for each type of institution and for all combined the volume of loans with and without those in which the Commodity Credit Corporation participated. Heretofore loans guaranteed by the CCC were included in the commercial-bank figures but were not so reported by certain of the agencies of the Farm Credit Administration which also made such loans. Furthermore, in the former table collateral that secured certificates of participation in the pool of cotton producers' notes was included with the loans of the Commodity Credit Corporation and the certificates themselves were included in the loans of the commercial banks. The revised table eliminates this duplication by excluding such loans from the volume reported by the CCC. Certain discrepancies between the data reported and the intent of the table remain. Commercial-bank figures may include some loans made by the banks directly to the CCC. Such loans are reported as "agricultural" by the banks although they are not loans to farmers. The extent of this discrepancy has not been fully determined. Moreover, loans made by commercial banks for carrying agricultural commodities include a limited volume made to processors, dealers, and to cooperative marketing associations.

The former distinction between drought-relief loans and emergency crop loans has been discontinued in the revised table, both being reported as loans of the Emergency Crop and Feed Loan Office.

The revised table provides a longer history of institutional nonreal estate credit, but it does not provide quarterly data. The seasonal variation of credit usually is revealed quite adequately by the figures for January and July.

FARM REAL ESTATE TAXES IN 1943 AND 1944

Average farm real estate taxes per acre remained virtually the same in 1943 as in 1942. Preliminary indications are that the 1944 levies will be up slightly from the 1943 levies. The index of real estate taxes per acre for the United States on a 1909-13 base decreased only one point, from 179 in 1942 to 178 in 1943. The index number for 1943 is the same as that for 1934, when farm real estate taxes reached their low point in the general depression. During the last 10 years the index numbers of taxes per acre have varied within very narrow limits; the high point for the period was 186 which was reached in 1937 and again in 1939. The index number for 1944 is not expected to reach this level.

Taxes per $100 of real estate value continued to decline, falling from $0.98 in 1942 to $0.86 in 1943. A further decline is likely in 1944 as it is expected the slight increase in taxes per acre will be more than offset by an increase in farm-land values. Chief factor in the decline in taxes per $100 of value in recent years has been the substantial rise in farm-land values which has occurred during a period of relatively stable taxes per acre.

The divergence between the trends of farm real estate taxes during the two wars continues. During World War I farm real estate taxes increased sharply, pushed up chiefly by the sharp general increase in the price level and the absence of adequate alternative sources of revenue for State and local governments. During the present war, real estate taxes have actually declined somewhat, though they were at the same level in 1943 as 10 years earlier. Perhaps the most important single factor explaining the relative stability in these taxes during the last decade is the increasing reliance of State and local governments upon revenues from taxes other than those on property.

Future trends in farm real estate taxes will be determined in part by the relative importance of property taxes in the revenue systems of State and local governments and in part by the extent and cost of services provided. For example, increasing school costs are mentioned most frequently in connection with the indicated rise in farm real estate taxes in 1944. One reason the property taxes vary from year to year is because, typically, revenues from other sources are estimated first and the property tax rate is fixed at a level that will provide the remainder of the revenue required by the budget. Since the beginning of this war, State and local government revenues from sales and income taxes, in many cases, have increased. Whether increases in prices and incomes will continue to expand revenues from these taxes cannot be forecast with certainty. But it is apparent that such increases in revenue, together with reduced capital outlays and lower relief costs, have been responsible for many of the

surpluses reported. The policies that governmental units adopt with reference to debt repayment and financial reserves for post-war use will have much to do with the course of property taxes during the remainder of the war. After the war the part to be played by State and local governments in post-war readjustments and the financial condition in which these governments enter the period will be major factors in property-tax trends.

Table 20 in the appendix shows farm real estate tax levies per acre and per $100 of real estate value and indexes of tax levies per acre, by States and divisions, for 1910, 1920, 1930, and 1939-43.

Farm Real Estate Values.- Prices of farms continue to rise. On November 1, 1944 the index of farm real estate values for the United States as a whole reached 120 (1912-14 = 100). In 1933, the low point of the depression, the index stood at 73. Since then the trend of land prices has been generally upward and after 1941 the rise was particularly sharp. The index for March 1 values in 1941 was 85 compared with 91 in 1942, 99 in 1943, and 114 in 1944. During the year ended November 1, 1944 values increased 14 percent. The increase in the year ended November 1, 1943 was 13 percent. Values now stand at 64 percent above the 1933 depression low and 29 percent under the index of 170 which was reached in the inflationary peak after World War I.

Measured from 1935-39 averages, farm land values for the country as a whole have increased about 44 percent. This increase is approximately the same as occurred during the corresponding period of World War I. In the present war, values have increased more than 50 percent in four geographic divisions: East North Central, East South Central, Mountain, and Pacific. Rises in the other geographic divisions range from 19 percent in New England to 48 percent in the South Atlantic. In some individual States and in particular areas within States, larger-than-average increases have occurred. Rises in excess of 70 percent are reported from Colorado, Kentucky, and South Carolina.

In the 4 months ended November 1, 1944 the largest increases, averaging 4 percent, were recorded in the Mountain and Pacific States. Greater-than-average rises in these two divisions were noted for Montana, Arizona, and California. Rounded average increases in all other geographic divisions were 1 percent except in the East North Central States where the index remained the same as on July 1.

BOOK REVIEWS

Butz, Earl L. The Production Credit System for Farmers. The Brookings Institution, Washington, D. C. pp vii, 100. 1944.

The Production Credit System, under the Farm Credit Administration, has been the subject of much attention by Congress and by agricultural leaders during the last few years. It has been praised as a great improvement in rural credit facilities and criticized because of its use of subsidy in competition with commercial banks. The issues involved are complex and there has been much confusion of facts and ideas. Dr. Butz, under the auspices of the Brookings Institution has done much to clarify the issues and reach toward the heart of the problem. The study appears to have been conducted in an impartial and objective manner.

The purpose of the study was "(1) to examine the agricultural financing being done by the Production Credit System in relation to the job which Congress intended it to do, (2) to bring together and analyze available information concerning the current financial position and operating efficiency of the system, (3) to analyze the amount and effect of the Federal subsidy now given, and (4) to suggest a broad policy and course of action for the future."

As a basis for understanding the Government's support of the Production Credit System, the author describes conditions leading to the collapse of credit of 1929-33. He points out that large numbers of farmers in the early 1930's were unable to obtain production credit loans from commercial banks, or the intermediate credit banks, or the regional agricultural credit corporations. This situation was immediately responsible for the establishment of the Production Credit System in 1933.

On the much-discussed issue concerning the intent of Congress in providing for the Production Credit System Dr. Butz is specific. "It was never the intention of Congress or of the FCA that the associations were to be regarded as emergency institutions." Further, the system "was not set up as a supplemental credit system but as another credit system." Most persons will agree with the first statement. The second statement, however, which has often been a point of argument between critics and defenders of the system may not be so readily accepted. Until more specific evidence is available it is probable that many bankers may continue to feel that the intended purpose was to supplement - not compete with - existing credit institutions.

The author has given in a clear and interesting style much factual data on the growth and current position of the production credit associations. An exceptionally good picture and analysis is presented of PCA

operations - loan volume, earnings, loan fees, interest rates, and losses. He points out faults of the system such as the tendency of some associations to "live up" their income, including that which is derived from Government-owned capital. But in general, despite problems arising from the policy of lending in all farming areas - both good and bad - and charging the same rate on all loans, losses have been relatively few and many associations have lived within their own "member income."

In his review of the capital stock structure of the system the author refers to the Federal subsidy (income from capital subscribed by the Treasury) which amounted to 3.3 million dollars in 1943. The need of Government capital for the purpose of supplementing income as well as providing collateral for discount and loan privileges with the intermediate credit banks is appraised and the growing investment of farmer borrowers in their associations is discussed. Substantial reserves are being established by the system and progress toward self-support is being made. Dr. Butz says that despite this situation 115 million dollars of the initial 120 million dollars in Government capital is still retained - mainly because no incentive has been provided for its repayment.

With a good factual background given in part I of the book, part II begins with an appraisal of the job done by the Production Credit System. As shown by the author, it provides short-term credit, "tailored" to fit the peculiar needs of qualified farmers at moderate cost in all areas. Because the system has access to the money markets of the country and is not subject to deposit withdrawals, it is in a relatively good position to continue extending credit in bad times as well as good times. Dr. Butz states that the Federal subsidy was justified to get the system started and that the competitive effect of the subsidy is not so serious as is sometimes alleged. He holds that: "The real threat to commercial banking inherent in the subsidy is not so much the amount of the past or present subsidy, but the philosophy underlying continuous subsidy and the genuine danger that it may be extended to the point where both private and cooperative credit institutions will be forced out of the farm lending field..."

With this in mind Dr. Butz proposes a definite plan for eventually retiring most or all of the Government capital now in the hands of production credit associations. As a first step he suggests that the associations should be placed on a sound businesslike basis by being permitted to vary their fees and interest rates between high- and low-cost areas. Then Government capital should be returned except for that needed to qualify the associations for the discount privilege with the intermediate credit banks. Interest should be paid on Government capital retained. The production credit associations also should bear any promotional expense of the production credit corporations. The expenses incurred by the corporations as well as by the Kansas City office in regulating and supervising the associations should be met by direct congressional appropriation. All capital returned to the Treasury should go into a production credit revolving fund. This would be available to bolster the system in event of a severe agricultural credit emergency.

A study of the author's proposals raises several questions. How long will it take to reduce the Government subsidy to the desired minimum? Will the system be just as able to meet any credit emergency in event the suggested changes are made? What effect would a change in interest rates and fees have on new business? Would reduced subsidy or a smaller loan volume force many associations out of existence? Could commercial banks, in poor or sparsely settled areas most affected by Dr. Butz's proposal, adequately finance farmers in absence of PCA's? If banks could not serve such areas, would subsidized PCA's or direct Government loans from the Farm Security Administration be justified? Some of these questions have been touched upon in the book but had the time and resources been available to the author to permit their development, more detailed discussion would undoubtedly be of great interest to many people.

In treating this PCA problem (a touchy subject for many people), Dr. Butz has shown that this controversial subject has not been one-sided. Both critics and supporters of the system are justified in some of their contentions. The author has also shown the need to consider the problem as it affects agriculture as a whole and the public at large. The report will provide suggestions helpful to the FCA and valuable data to students and others interested in banking and credit.

Lawrence A. Jones,
Agricultural Economist.

Eckert, Phil S. Changes in Commercial Bank Lending Practices. The Decade 1934-1943, Federal Reserve Bank, Cleveland, Ohio. 31 pp. 1944.

Country banks during the decade 1934-43 have felt the impact of rapidly changing economic conditions and have witnessed the entry of several Government-sponsored credit agencies into the field of agricultural credit. To determine what adjustments banks made to cope with these developments the Federal Reserve Bank of Cleveland surveyed the loan operations of 113 banks scattered throughout the agricultural areas of the district which includes Ohio and parts of Pennsylvania, Kentucky, and West Virginia.

The study bears directly on one of the vital problems of country banks - maintenance of a reasonable volume of farm-loan business. It indicates that some bankers have felt that competition from federally sponsored credit agencies, particularly those in the short-term lending field, has been an important cause of reduced business. Eckert points out that despite the general downward trend in loan volume during the past several years, many banks have increased their loans. The study found a direct relationship between progressive new loan practices (such as longer-term

loans, use of amortization mortgages, and lower interest rates) and increases in loan volume. Although the scope of the study did not include the appraisal of all factors influencing new business the new loan policies mentioned apparently were the main cause of increases in loans. Those country banks which failed to make such changes experienced reductions in loan business. Both farm real estate loans and short-term lending were affected. The report indicates that bankers might well look first to their own policies and procedures for the reasons why business is being gained or lost.

The author has not discussed the quality of the increased loan volume resulting from the new practices. It would be of interest to know if those banks with more farm loans will experience collection difficulties at a later date. Also, have some of these more active country banks made loans which are not sound from the farmer's standpoint? Such questions apparently were outside the scope of this report. They may well be the basis for a later study.

Although the report involves only a small part of the United States its findings will undoubtedly be pertinent to many other areas. As it shows results of changes in loan practices, it will assist many country banks to analyze and solve some of their farm credit problems. It well emphasizes that under present economic and competitive conditions those banks which adopt progressive loan methods will have the best chance of getting their share of the agricultural credit business.

Lawrence A. Jones,
Agricultural Economist.

Farmers' Cooperatives and the Federal Income Tax. - Under the Federal statutes relating to internal revenue, farmers' cooperative associations engaged in marketing, purchasing, and related activities are exempt if they meet certain requirements. Farmers' associations, therefore, have an important interest in knowing what these requirements are, how an association may qualify for exemption and prove its exempt status, and how exemption may be maintained.

With the enactment of the Revenue Act of 1943 on February 25, 1944, still another reason for interest in exemption has become important. Under the provisions of this act many organizations, exempt from the payment of Federal income taxes, for the first time are required to file annual information returns. Included in this group are exempt agricultural marketing and purchasing associations. If an organization desires to file an information return it must prove that it is exempt by obtaining a letter of exemption from the Commissioner of Internal Revenue. An organization claiming to be exempt but which does not hold a letter of exemption is required to establish its exemption by filing proof of exemption on Treasury Department Form 1028 and obtaining a favorable ruling thereon at or prior to the time its information return is due.

STATISTICAL APPENDIX

Page

AGRICULTURAL CREDIT:

FARM TAXATION:

AGRICULTURAL INSURANCE:

OTHER RELATED DATA:

Table 1.- Farm-mortgage debt: Total outstanding and amounts held by selected lending agencies, United States, 1910, 1920, 1930, 1935-44 1/

Beginning of year or month	Total farm-mortgage debt 2/	Amounts held by selected lending agencies: Federal land banks and Land Bank Commissioner 3/	Joint stock land banks 3/ 4/	Life insurance companies 5/	Commercial banks 6/	Three State credit agencies 3/ 7/	Farm Security Administration: Construction and farm-development loans 8/	Farm Security Administration: Tenant-purchase loans 9/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1910	3,207,863			386,961	406,248			
1920	8,448,772	296,386	60,038	974,826	1,204,383	10/		
1930	9,630,768	1,201,732	637,789	2,118,439	997,468	96,360		
1935	7,584,459	2,564,179	274,988	1,301,562	498,842	66,096		
1936	7,422,701	2,907,649	198,187	1,112,289	487,505	53,705		
1937	7,153,963	2,989,019	160,013	1,015,615	487,534	39,969		
1938	6,954,884	2,950,761	133,554	988,557	501,450	35,362	3,615	0
1939	6,779,318	2,862,855	114,992	982,939	519,276	31,872	6,220	11/ 9,000
1940	6,586,399	2,723,110	91,726	984,290	534,170	30,294	6,354	32,212
1941	6,534,487	2,642,333	73,455	1,016,479	543,408	29,317	7,470	65,623
1942	6,483,847	2,515,669	55,919	1,063,166	535,212	30,406	9,240	112,864
1943:								
January	6,117,168	2,262,135	37,015	1,042,939	11/ 476,676	28,794	12,581	151,100
April	-	12/ 2,165,723	32,235	-	-	-	12,941	154,741
July	-	12/ 2,090,503	27,158	13/ 1,022,058	470,672	-	13,083	158,351
October	-	12/ 1,998,531	24,026	-	-	-	12,898	162,288
1944:								
January	5,634,772	1,882,637	10,097	986,661	448,433	24,082	12,293	164,302
April	-	12/ 1,786,685	14/ 8,537	-	-	-	11,621	167,421
July	-	12/ 1,722,095	7,925	13/ 947,000	467,729	-	10,624	170,750

1/ Excludes Territories and possessions.
2/ Data since 1930 are a revised series.
3/ Data for 1930 and subsequent years are revised to include purchase-money mortgages and sales contracts in addition to regular mortgages.
4/ Joint stock land banks have been in liquidation since May 12, 1933. Includes banks in receivership.
5/ Estimates based upon direct reports from life insurance companies, official reports submitted to State insurance commissioners, and "Best's Life Insurance Reports." Data for 1930 and subsequent years revised to include sales contracts as well as regular and purchase-money mortgages.
6/ 1935-44 insured commercial banks; prior to 1935 all open State and national banks.
7/ Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota.
8/ Prior to 1941, loans for construction of farmstead improvements only. Beginning with 1941, data also include farm-development (special real estate) loans and loans made from State Rural Rehabilitation Corporation trust funds.
9/ Includes farm-enlargement loans and loans made from State Rural Rehabilitation Corporation trust funds. The farm-enlargement loan program was initiated about October 1942.
10/ Data not available.
11/ Revised.
12/ Includes amount of loans in process of foreclosure and loans in suspense for Puerto Rico since separate figures for Puerto Rico are not available on quarterly basis.
13/ Based upon monthly data received from the Life Insurance Association of America (formerly Association of Life Insurance Presidents) and the Institute of Life Insurance.
14/ Excludes loans called for foreclosure.

Table 2.- Loans to farmers' cooperative organizations held by selected lending agencies, United States, 1929-44

Beginning of year or month	Agencies supervised by Farm Credit Administration: Federal intermediate credit banks	Agencies supervised by Farm Credit Administration: Banks for cooperatives	Agencies supervised by Farm Credit Administration: Agricultural Marketing Act revolving fund	Rural Electrification Administration	Farm Security Administration 1/	Commodity Credit Corporation
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1929	36,174					
1930	26,073		14,510			
1931	64,377		136,698			
1932	45,177		156,280			
1933	9,866		158,885			
1934	15,211	18,697	157,752			0
1935	33,969	27,851	54,863		0	0
1936	2,731	50,013	44,433	10	1,515	0
1937	1,641	69,647	53,754	2,456	2,503	7,532
1938	1,813	87,633	30,982	30,015	3,732	9,677
1939	920	87,496	23,723	79,350	8,412	49,498
1940	1,835	76,252	20,547	169,122	11,550	26,812
1941	1,490	74,741	16,461	232,086	15,125	27,931
1942	2,152	113,444	16,914	304,807	25,388	14,370
1943:						
January	2,000	144,644	12,551	328,156	34,195	10,325
April	2,000	110,957	11,295	2/	34,969	2/
July	400	101,885	10,852	327,588	34,927	8,314
October	600	148,099	8,418	2/	35,551	2/
1944:						
January	2,000	235,174	7,351	331,318	29,805	3,655
April	1,751	196,668	3,230	2/	29,234	2/
July	400	143,014	2,911	332,196	28,112	2,244

1/ Includes loans from State corporation trust funds and beginning 1942 includes loans to defense relocation corporations.
2/ Data unavailable.

Table 3 .- Nonreal estate loans to farmers by principal credit institutions: Amounts outstanding on specified dates, United States, 1914-44 1/

Date	Commercial banks 2/		Agencies supervised by the Farm Credit Administration						Farm Security Administration 6/	Commodity Credit Corporation		Total	
			Production credit associations		Federal intermediate credit banks 4/		Regional agricultural credit corporations	Emergency Crop and Feed Loan Office 5/					
	Excluding Commodity Credit Corporation guarantees 3/	Including Commodity Credit Corporation guarantees 3/	Excluding Commodity Credit Corporation guarantees 3/	Including Commodity Credit Corporation guarantees 3/	Excluding Commodity Credit Corporation guarantees 3/	Including Commodity Credit Corporation guarantees 3/				Loans held 7/	Institutional loans guaranteed 3/	Excluding Commodity Credit Corporation loans held or guaranteed 3/	Including Commodity Credit Corporation loans held or guaranteed 3/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1914:													
Spring	1,607,970											1,607,970	
1918:													
July 1	2,506,814											2,506,814	
1921:													
Jan. 1	3,869,891							3,104				8/ 3,873,788	
1924:													
Jan. 1	2,943,81[illegible]				9,105			2,513				9/ 2,982,554	
1931:													
July 1	1,936,360				79,206			61,442				2,077,008	
1934:													
July 1	10/				61,879			91,569		205,388	10/	10/	
1935:													
Jan. 1	594,604	807,613	60,459		55,083		87,087	111,238	5,600	37,162	213,009	914,071	1,164,242
July 1	10/	10/	106,402		57,705		72,759	198,240	10/	151,735	134,415	10/	10/
1936:													
Jan. 1	10/	10/	93,400		46,518		43,394	172,470	62,900	271,219	8,474	10/	10/
July 1	659,703	661,606	139,062		53,959		36,020	176,415	128,691	236,268	1,903	1,193,850	1,432,021
1937:													
Jan. 1	593,560	593,614	104,481		40,508		25,282	164,762	131,600	204,511	54	1,060,193	1,264,758
July 1	726,357	726,400	158,752		4[illegible],306		22,908	189,186	171,394	116,827	43	1,315,903	1,432,773
1938:													
Jan. 1	648,961	788,351	136,918		39,974		15,588	171,983	162,802	173,134	139,390	1,176,226	1,488,750
July 1	781,606	925,705	183,296		42,703		14,788	184,656	207,239	228,913	144,099	1,414,288	1,787,300
1939:													
Jan. 1	743,894	1,064,667	146,825		32,612		11,080	170,952	209,806	308,950	320,773	1,315,169	1,944,892
July 1	800,544	1,193,466	186,945		39,794		10,234	179,812	280,528	330,097	392,922	1,497,857	2,220,876
1940:													
Jan. 1	859,898	1,094,392	153,425		32,316		8,005	167,795	276,138	208,193	234,494	1,497,577	1,940,264
July 1	956,022	1,182,721	199,219		40,033		7,768	180,798	320,324	150,183	226,699	1,704,164	2,081,046
1941:													
Jan. 1	938,929	1,281,275	170,686	178,866	33,116	33,861	5,855	167,862	312,717	252,287	351,271	1,629,165	2,232,723
July 1	1,056,845	1,167,204	219,903	221,768	42,106	42,171	6,658	178,818	362,545	214,854	112,309	1,866,875	2,194,038
1942:													
Jan. 1	1,111,809	1,449,937	185,611	201,589	37,939	38,496	5,532	163,792	339,083	133,018	354,663	1,843,766	2,331,447
July 1	1,064,358	1,164,452	245,846	250,460	45,615	45,967	4,249	176,062	397,274	159,585	105,060	1,933,404	2,198,049
1943:													
Jan. 1	895,511	1,641,772	182,658	205,873	38,182	38,510	3,991	155,456	362,343	104,366	769,804	1,638,141	2,512,311
July 1	952,230	1,316,385	254,841	266,334	40,518	41,328	53,754	164,948	378,509	57,968	376,458	1,844,800	2,279,226
1944:													
Jan. 1	906,783	1,505,249	196,637	210,232	34,137	34,392	32,047	146,181	338,714	93,104	612,316	1,654,499	2,359,919
July 1	970,152	1,474,253	266,396	274,119	35,316	35,816	20,561	156,187	342,246	76,327	512,324	1,790,858	2,379,509

1/ Excludes loans to farmers' cooperative associations. Continental United States only.
2/ Insured commercial banks only beginning 1935, prior to 1935 all open State and national banks. Commodity Credit Corporation holdings of banks prior to 1943 partially estimated.
3/ Commodity Credit Corporation guarantees are loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation, also certificates of participation in cotton producers' pool; after January 1, 1943 includes some loans to processors of and dealers in agricultural commodities.
4/ Loans to and discounts for private financing institutions other than commercial banks.
5/ Includes seed, feed, crop production, drought relief and orchard rehabilitation loans, some of which were made by predecessors (Farmers' Seed Loan Office and Emergency Crop Production Office).
6/ Includes rural rehabilitation, water facility, and project-equipment loans. Includes loans from funds of State rural rehabilitation corporation and loans made by the Resettlement Administration.
7/ Excludes loans held by commercial banks and Federal agencies under purchase agreement with Commodity Credit Corporation. Also excludes collateral securing certificates of participation in the cotton producers' pool.
8/ Includes $793,000 of War Finance Corporation loans.
9/ Includes $27,118,000 of War Finance Corporation loans.

Table 4.- Amount of Federal land bank and Land Bank Commissioner loans closed and estimated amount of farm mortgages recorded by other lenders, United States, 1934-44 1/

Period	Loans closed		Estimated amount of mortgages recorded by other lenders 2/					Total all lenders
	Federal land banks	Land Bank Commissioner	Individuals	Commercial banks	Insurance companies	Miscel-laneous	Total	
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1934	730.1	553.0	219.6	110.9	45.7	80.8	457.0	1,740.1
1935	247.6	195.9	257.8	164.9	76.4	71.7	570.8	1,014.3
1936	108.6	76.9	255.3	186.1	115.1	60.4	616.9	802.4
1937	62.8	39.7	262.9	212.8	128.2	51.3	655.2	757.7
1938	51.3	29.1	234.1	210.0	137.4	61.3	642.8	723.2
1939	51.5	27.2	226.7	217.8	138.0	67.8	650.3	729.0
1940	63.9	36.4	225.6	219.9	145.5	81.2	672.2	772.5
1941	64.7	37.3	247.7	221.3	160.5	102.5	732.0	834.0
1942	53.6	28.2	248.7	191.0	154.6	86.7	681.0	762.8
1943: 3/	61.2	30.1	350.4	233.1	167.1	73.9	824.5	915.8
Jan.-March ..	16.6	7.9	86.3	59.9	55.2	18.3	219.7	244.2
Apr.-June ...	18.0	9.2	91.0	62.5	46.4	19.5	219.4	246.6
July-Sept. ..	10.6	4.9	77.3	50.0	31.7	17.8	176.8	192.3
Oct.-Dec. ...	16.0	8.0	95.8	60.7	33.8	18.4	208.7	232.7
1944:								
Jan.-March ..	21.7	10.3	117.5	77.0	63.8	22.1	280.4	312.4
Apr.-June ...	15.9	7.9	91.1	63.1	38.1	15.8	208.1	231.9

1/ Excludes Puerto Rico.
2/ Based on reports from counties including from 31 to 49 percent of the farms in the United States.
3/ Sum of quarterly figures will not always equal annual total because of rounding of figures.

Table 5.- Estimated amount of interest charges payable on farm-mortgage debt, by geographic divisions, 1910, 1922, and 1930-43 1/

Geographic division	1910	1922	1930	1931	1932	1933	1934	1935
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
New England	3,992	7,970	10,086	10,459	10,765	10,390	9,889	9,338
Middle Atlantic	14,715	26,250	26,866	27,331	27,201	25,458	23,553	22,269
East North Central	46,373	122,875	107,039	103,250	98,282	89,590	83,498	78,630
West North Central	77,492	280,130	198,084	190,660	180,603	161,555	146,291	134,923
South Atlantic	8,910	35,480	31,974	30,090	27,611	24,331	23,299	21,894
East South Central	8,052	27,340	25,961	25,330	23,955	21,321	20,270	18,758
West South Central	21,358	73,650	72,072	69,712	65,986	58,556	52,933	47,081
Mountain	8,666	56,213	38,691	38,235	36,056	31,467	27,309	25,014
Pacific	13,630	49,996	58,983	57,941	55,301	49,615	43,378	38,185
UNITED STATES	203,188	679,904	569,756	553,008	525,760	472,283	430,420	396,092

Geographic division	1936	1937	1938	1939	1940	1941 2/	1942 2/	1943 2/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
New England	8,765	8,332	7,890	7,503	7,254	7,090	6,842	6,640
Middle Atlantic	21,113	20,289	19,485	18,771	18,033	17,616	17,076	16,208
East North Central	73,470	69,501	66,050	64,225	62,946	62,413	60,580	55,431
West North Central	121,544	110,886	102,235	95,869	91,389	90,693	88,821	81,703
South Atlantic	20,912	20,169	19,733	19,606	19,454	19,824	19,712	18,885
East South Central	18,391	18,022	18,100	18,207	18,346	18,650	18,605	17,379
West South Central	42,162	38,793	35,627	33,270	31,989	32,277	32,058	29,675
Mountain	22,677	20,854	19,020	17,575	16,669	15,868	14,441	12,654
Pacific	35,440	33,884	31,954	30,423	29,291	28,439	27,231	25,702
UNITED STATES	364,474	340,730	320,094	305,449	295,371	292,870	285,366	264,277

1/ Payable during calendar year. Excludes amounts paid by Secretary of the Treasury to Federal land banks, 1935-43, and Land Bank Commissioner, 1938-43, as reimbursement for interest reductions granted borrowers. Revised series 1930-43.
2/ Preliminary.

Table 6.- Estimated amount of farm-mortgage debt, by States, January 1, 1910, 1923, 1930-44 1/

State and division	1910	1923	1930	1931	1932	1933	1934	1935
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	13,055	27,950	27,613	28,251	28,704	32,756	29,894	30,626
New Hampshire	5,647	9,320	11,756	11,879	12,030	12,053	11,904	12,423
Vermont	14,716	31,537	35,365	34,658	33,659	32,771	31,966	31,391
Massachusetts	20,206	34,283	48,984	49,518	53,009	51,225	49,544	49,613
Rhode Island	1,977	2,583	4,632	4,616	4,714	4,620	4,031	4,065
Connecticut	14,601	36,456	43,358	47,248	52,384	52,374	49,630	47,886
New England	70,202	142,129	171,708	176,170	184,500	185,799	176,969	176,004
New York	145,737	242,511	233,791	228,312	231,352	229,972	216,473	213,634
New Jersey	30,555	48,671	54,180	53,255	53,170	52,059	48,360	49,206
Pennsylvania	93,424	172,200	168,492	182,466	184,498	177,286	159,991	150,738
Middle Atlantic	269,716	463,382	456,463	464,033	469,020	459,317	424,824	413,578
Ohio	114,874	271,081	272,738	263,388	255,786	241,308	220,731	224,261
Indiana	113,276	293,448	269,913	260,001	255,215	235,491	218,721	224,169
Illinois	267,361	705,644	614,059	571,632	556,410	532,762	494,361	481,797
Michigan	113,278	251,664	221,432	212,635	201,914	189,071	176,441	183,172
Wisconsin	198,219	569,846	505,472	508,369	483,371	451,900	403,714	413,082
East North Central	807,008	2,091,683	1,883,614	1,816,025	1,752,696	1,650,532	1,513,968	1,526,481
Minnesota	144,477	606,134	476,210	457,238	437,556	399,602	367,056	396,946
Iowa	430,690	1,535,943	1,196,197	1,142,778	1,079,337	982,484	862,440	787,159
Missouri	207,279	511,571	442,820	422,849	391,936	352,970	311,859	286,460
North Dakota	97,830	312,870	239,772	223,725	207,602	185,448	170,422	197,177
South Dakota	84,943	451,281	293,080	279,225	267,336	246,432	218,745	216,592
Nebraska	148,366	691,732	510,453	519,077	516,323	487,587	437,824	431,686
Kansas	163,359	527,397	411,747	422,667	429,156	409,963	371,181	357,123
West North Central	1,276,944	4,636,928	3,570,279	3,467,559	3,329,246	3,064,486	2,739,527	2,673,143
Delaware	5,775	9,564	9,581	9,383	8,245	8,095	8,631	8,668
Maryland 2/	28,733	62,247	50,377	49,408	51,194	49,502	48,089	43,790
Virginia	22,181	83,374	91,000	87,699	83,795	77,974	73,829	75,093
West Virginia	7,771	26,322	26,177	26,057	24,292	22,616	22,844	23,671
North Carolina	17,028	81,386	111,880	108,940	105,210	95,249	88,497	93,905
South Carolina	20,583	98,154	64,433	57,872	50,988	43,402	41,345	47,149
Georgia	24,383	139,878	113,060	104,907	95,789	83,833	75,398	82,867
Florida	3,880	29,532	52,840	47,783	41,988	36,437	36,179	40,578
South Atlantic	130,334	530,457	519,348	492,049	461,501	417,108	394,812	415,721
Kentucky	36,296	115,793	116,250	112,547	107,143	101,219	97,034	105,226
Tennessee	21,687	83,091	115,280	110,626	105,278	97,237	91,257	93,055
Alabama	21,456	67,569	97,890	98,630	96,117	90,335	83,854	81,421
Mississippi	29,338	139,942	103,312	100,850	101,149	88,506	81,998	85,073
East South Central	108,777	406,395	432,732	422,653	409,687	377,297	354,143	364,775
Arkansas	17,485	117,784	99,085	100,632	95,617	84,280	70,179	69,317
Louisiana	18,683	57,354	63,838	62,022	60,945	57,560	54,904	57,951
Oklahoma	64,166	284,766	274,971	261,300	259,210	233,230	193,047	183,421
Texas	160,171	555,786	671,434	648,588	630,965	596,134	566,142	565,968
West South Central	260,505	1,015,690	1,109,328	1,072,542	1,046,737	971,204	884,272	876,657
Montana	16,952	192,092	129,744	134,730	132,734	122,438	104,080	100,331
Idaho	21,423	158,737	115,547	115,577	110,645	100,536	87,626	89,404
Wyoming	7,363	59,514	43,337	44,068	41,200	40,072	35,772	36,709
Colorado	35,452	203,064	138,248	136,763	130,731	123,388	108,768	103,479
New Mexico	4,301	32,297	38,954	40,054	39,348	33,955	28,935	27,492
Arizona	4,338	48,748	41,690	42,766	39,728	33,505	31,005	30,797
Utah	6,609	52,095	51,875	50,471	48,616	46,268	44,648	43,757
Nevada	2,977	25,053	15,617	15,373	18,187	17,268	15,074	15,131
Mountain	99,455	771,600	575,012	579,802	561,189	517,430	455,908	447,100
Washington	44,203	152,920	161,557	158,068	156,545	145,669	130,509	125,405
Oregon	33,304	133,368	135,917	133,865	128,012	118,016	105,873	104,860
California	107,415	441,069	614,810	615,322	594,850	559,560	504,398	460,735
Pacific	184,922	727,357	912,284	907,255	879,407	823,245	740,780	691,000
UNITED STATES	3,207,863	10,785,621	9,630,768	9,398,088	9,093,983	8,466,418	7,685,203	7,584,459

Continued

Table 6.- Estimated amount of farm-mortgage debt, by States, January 1, 1910, 1923, 1930-44 1/ - Continued

State and division	1936	1937	1938	1939	1940	1941	1942	1943	1944
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	30,457	29,096	27,629	26,477	24,757	25,055	23,028	20,081	17,159
New Hampshire	12,517	12,109	11,826	11,585	11,220	11,151	11,439	11,505	11,394
Vermont	30,257	29,969	29,367	28,657	27,814	27,773	27,489	27,234	28,911
Massachusetts	47,972	47,639	47,356	47,080	45,845	45,791	44,921	43,475	43,677
Rhode Island	4,187	4,276	4,330	4,259	4,121	4,151	4,061	3,800	3,693
Connecticut	44,996	43,006	40,847	38,919	36,742	35,936	35,357	32,998	32,191
New England	170,386	166,095	161,355	156,977	150,499	149,857	146,295	13[illegible],093	137,025
New York	211,194	207,566	202,829	197,462	191,786	185,864	178,595	168,271	156,651
New Jersey	48,770	48,735	48,898	48,891	48,791	49,597	50,153	48,540	45,863
Pennsylvania	146,200	142,213	138,070	135,189	131,578	129,729	129,234	125,701	123,443
Middle Atlantic	406,164	398,514	389,797	381,542	372,155	365,190	357,982	342,512	325,957
Ohio	225,341	224,320	227,491	232,550	239,059	245,448	252,681	242,686	231,446
Indiana	225,525	224,244	226,920	231,586	236,266	243,002	244,487	229,129	203,169
Illinois	476,298	454,266	437,780	430,173	418,970	415,192	406,988	373,981	325,915
Michigan	184,063	182,150	178,772	176,920	174,308	173,792	171,451	161,231	150,463
Wisconsin	409,129	398,640	383,821	368,975	356,936	346,716	333,279	313,933	287,513
East North Central	1,520,356	1,483,620	1,454,784	1,440,204	1,425,539	1,424,150	1,408,886	1,320,960	1,198,506
Minnesota	409,676	379,836	376,112	375,943	375,990	384,419	395,901	385,623	364,768
Iowa	762,614	744,238	732,257	725,154	705,589	707,739	723,397	710,985	652,906
Missouri	268,507	254,318	245,904	237,588	229,377	231,832	232,971	219,962	207,327
North Dakota	199,771	182,338	172,180	154,312	141,230	132,717	128,255	122,631	105,047
South Dakota	199,709	179,896	162,983	145,808	127,706	119,122	118,474	114,740	105,042
Nebraska	407,888	382,495	358,962	334,355	309,826	290,081	281,184	261,753	232,921
Kansas	343,483	325,921	310,140	299,599	284,248	273,454	258,549	227,800	195,139
West North Central	2,591,648	2,449,042	2,358,538	2,272,759	2,173,966	2,139,364	2,138,731	2,043,494	1,863,150
Delaware	8,576	8,443	8,286	8,132	7,957	8,127	8,496	8,347	8,095
Maryland 2/	45,068	45,417	45,383	45,873	46,675	46,011	44,396	43,384	42,894
Virginia	74,736	72,976	73,027	72,957	72,299	72,245	70,840	68,406	65,124
West Virginia	23,574	22,974	22,754	22,464	21,969	22,031	21,671	20,193	17,986
North Carolina	92,942	91,799	90,336	89,685	90,071	96,652	97,411	88,645	80,829
South Carolina	47,685	46,792	46,737	46,773	45,948	46,713	50,687	45,950	42,932
Georgia	82,275	82,137	82,156	82,397	82,037	84,355	90,901	89,916	85,740
Florida	41,209	39,654	38,485	38,064	38,101	38,380	35,559	33,726	33,304
South Atlantic	416,065	410,192	407,164	406,345	405,057	414,514	419,961	398,567	376,904
Kentucky	105,560	105,982	105,746	107,963	109,253	110,504	112,414	108,687	102,915
Tennessee	93,327	93,121	92,102	92,501	92,614	90,017	85,033	77,036	70,069
Alabama	79,670	79,547	80,180	80,978	81,859	86,834	90,278	88,053	80,354
Mississippi	89,627	89,489	95,506	96,122	100,368	103,491	104,776	99,968	90,389
East South Central	368,184	368,139	373,534	377,564	384,094	390,846	392,501	373,744	343,727
Arkansas	70,672	69,996	70,770	71,478	72,513	75,560	79,305	78,405	77,519
Louisiana	56,880	55,817	55,328	55,629	55,098	57,221	58,872	57,029	54,132
Oklahoma	175,861	168,816	161,317	157,508	153,679	156,364	159,332	151,554	141,850
Texas	537,818	513,933	486,055	458,008	431,746	421,448	417,817	386,271	345,642
West South Central	841,231	808,562	773,470	742,623	713,036	710,593	715,326	673,259	619,143
Montana	96,153	87,434	79,184	72,670	66,118	63,536	57,535	48,143	39,876
Idaho	88,491	84,755	82,371	81,335	78,763	78,361	77,557	70,790	62,619
Wyoming	36,622	36,381	35,726	34,816	34,009	32,948	29,030	25,624	22,374
Colorado	99,455	92,565	86,393	80,101	75,005	73,408	70,727	61,386	54,238
New Mexico	28,625	28,333	28,220	27,955	27,499	26,764	24,564	24,195	24,880
Arizona	30,027	29,869	29,447	29,446	28,933	28,498	28,348	26,362	24,981
Utah	44,864	43,015	41,214	38,963	36,650	34,946	32,539	27,977	22,713
Nevada	13,890	12,548	12,933	11,137	10,213	9,639	9,461	8,204	7,071
Mountain	438,127	414,900	395,488	376,423	357,190	348,100	329,761	292,681	258,752
Washington	121,793	115,453	111,561	109,829	106,857	104,927	101,227	92,064	83,028
Oregon	103,440	99,710	96,391	92,114	90,421	90,281	88,900	84,235	81,153
California	445,307	439,736	432,802	422,938	407,585	396,665	384,277	356,559	347,343
Pacific	670,540	654,899	640,754	624,881	604,863	591,873	574,404	532,858	511,524
UNITED STATES	7,422,701	7,153,963	6,954,884	6,779,318	6,586,399	6,534,487	6,483,847	6,117,168	3/ 5,634,772

1/ Data since 1930 are a revised series.
2/ Includes data for District of Columbia.
3/ Includes $84,384 of joint stock land bank loans called for foreclosure which are not distributable by States.

Table 7.- Farm-mortgage debt outstanding, by principal lender groups, January 1, 1944

State and division	Total debt	Amounts held by principal lender groups: Federal land banks 1/	Land Bank Commissioner 1/	Life insurance companies 1/	Commercial banks	Farm Security Administration 2/	Others 3/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	17,159	5,095	2,324		1,343	243	8,154
New Hampshire	11,394	1,325	673		666	92	8,638
Vermont	28,911	4,127	1,097		6,852	249	16,586
Massachusetts	43,677	6,545	3,540		1,093	120	32,379
Rhode Island	3,693	1,047	572		265	10	1,799
Connecticut	32,191	5,728	2,540	5	1,216	103	22,599
New England	137,025	23,867	10,746	5	11,435	817	90,155
New York	156,651	31,878	10,241	226	12,960	1,683	99,663
New Jersey	45,863	8,736	4,587	74	4,094	470	27,902
Pennsylvania	123,443	16,550	4,336	1,794	22,898	2,509	75,356
Middle Atlantic	325,957	57,164	19,164	2,094	39,952	4,662	202,921
Ohio	231,446	34,731	9,531	27,141	36,416	4,459	119,168
Indiana	203,169	45,429	10,435	53,658	23,945	3,673	66,029
Illinois	325,915	96,778	20,218	102,778	20,434	5,864	79,843
Michigan	150,463	35,799	11,524	2,807	16,068	2,618	81,647
Wisconsin	287,513	59,590	25,138	8,898	24,508	4,181	165,198
East North Central	1,198,506	272,327	76,846	195,282	121,371	20,795	511,885
Minnesota	364,768	91,012	24,825	75,336	17,126	5,382	151,087
Iowa	652,906	156,962	30,175	261,933	38,795	6,659	158,382
Missouri	207,327	30,487	11,668	65,127	21,278	6,343	72,424
North Dakota	105,047	47,678	16,378	12,166	653	1,720	26,452
South Dakota	105,042	45,511	13,271	30,661	1,917	2,248	11,434
Nebraska	232,921	95,159	21,816	48,725	5,254	3,731	58,236
Kansas	195,139	63,175	21,902	40,810	7,944	4,287	57,021
West North Central	1,863,150	529,984	140,035	534,758	92,967	30,370	535,036
Delaware	8,095	609	245	23	2,811	208	4,199
Maryland 4/	42,894	6,065	1,975	1,888	8,748	903	23,315
Virginia	65,124	17,804	3,581	4,808	13,421	3,416	22,094
West Virginia	17,986	6,262	1,486	535	4,728	1,601	3,374
North Carolina	80,829	13,408	9,347	7,576	10,396	9,618	30,484
South Carolina	42,932	11,002	7,333	2,365	1,513	7,332	13,387
Georgia	85,740	17,968	10,848	9,687	6,488	11,384	29,365
Florida	33,304	8,341	5,840	916	2,686	1,031	14,490
South Atlantic	376,904	81,459	40,655	27,798	50,791	35,493	140,708
Kentucky	102,915	21,279	6,644	16,076	19,856	5,390	33,670
Tennessee	70,069	17,019	5,964	9,372	11,895	6,831	18,988
Alabama	80,354	21,793	5,498	2,816	4,054	10,227	35,966
Mississippi	90,389	23,495	5,086	19,273	5,200	11,065	26,270
East South Central	343,727	83,586	23,192	47,537	41,005	33,513	114,894
Arkansas	77,519	13,165	3,931	14,619	3,087	8,759	33,958
Louisiana	54,132	16,108	3,180	5,326	4,970	6,431	18,117
Oklahoma	141,850	26,168	10,116	21,095	4,123	8,513	71,835
Texas	345,642	149,721	34,058	85,335	10,227	17,541	48,760
West South Central	619,143	205,162	51,285	126,375	22,407	41,244	172,670
Montana	39,876	13,757	6,241	2,983	856	1,257	14,782
Idaho	62,619	20,680	5,906	8,192	1,015	1,084	25,742
Wyoming	22,374	8,824	3,173	356	786	536	8,699
Colorado	54,238	21,157	6,997	3,415	1,873	1,491	19,305
New Mexico	24,880	6,410	1,827	3,151	610	415	12,467
Arizona	24,981	6,402	1,899	2,370	506	204	13,600
Utah	22,713	10,635	3,076	314	2,575	338	5,775
Nevada	7,071	2,231	395	143	333	46	3,923
Mountain	258,752	90,096	29,514	20,924	8,554	5,371	104,293
Washington	83,028	22,696	4,877	11,828	4,840	1,369	37,418
Oregon	81,153	19,897	5,156	8,294	1,393	1,118	45,295
California	347,343	66,648	28,281	11,766	53,718	1,843	185,087
Pacific	511,524	109,241	38,314	31,888	59,951	4,330	267,800
UNITED STATES	5/ 5,634,772	1,452,886	429,751	986,661	448,433	176,595	5/ 2,140,446

1/ Revised basis. Includes regular mortgages, purchase-money mortgages, and sales contracts. See table 1, footnotes 3 and 5.
2/ Tenant-purchase and farm-enlargement loans, farm-development loans, and construction loans to individuals. Includes loans made for these purposes from State Rural Rehabilitation Corporation trust funds.
3/ Includes joint stock land banks.
4/ Includes District of Columbia.
5/ Includes $84,384 of joint stock land bank loans called for foreclosure which is not distributable by States.

Table 8.- Federal land bank and Land Bank Commissioner loans: Amount outstanding, principal repayments, other deductions, and loans closed, 1933-44 1/

FEDERAL LAND BANKS

Year and quarter	Loans outstanding at beginning of year or quarter	Decreases in loans			Loans closed	Net change in outstanding loans	Loans outstanding at end of year or quarter
		Principal repayments	Other deductions (net) 2/	Total			
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1933	1,128,564	19,954	27,538	47,492	151,635	104,143	1,232,707
1934	1,232,707	28,847	18,435	47,282	730,367	683,085	1,915,792
1935	1,915,792	41,991	50,546	92,537	248,670	156,133	2,071,925
1936	2,071,925	51,592	65,345	116,937	109,170	- 7,767	2,064,158
1937	2,064,158	67,380	24,563	91,943	63,092	- 28,851	2,035,307
1938	2,035,307	69,586	34,916	104,502	51,419	- 53,083	1,982,224
1939	1,982,224	92,451	36,700	129,151	51,582	- 77,569	1,904,655
1940	1,904,655	97,413	20,299	117,712	64,275	- 53,437	1,851,218
1941	1,851,218	128,704	23,184	151,888	65,068	- 86,820	1,764,398
1942	1,764,398	196,898	18,717	215,615	54,063	-161,552	1,602,846
1943:							
Jan.-March	1,602,846	75,740	3,984	79,724	16,671	- 63,053	1,539,793
Apr.-June	1,539,793	64,734	3,856	68,590	18,247	- 50,343	1,489,450
July-Sept.	1,489,450	67,456	1,896	69,352	10,692	- 58,660	1,430,790
Oct.-Dec.	1,430,790	86,169	2,974	89,143	16,290	- 72,853	1,357,937
1944:							
Jan.-March	1,357,937	83,165	6,329	89,494	21,829	- 67,665	1,290,272
Apr.-June	1,290,272	57,733	3,264	60,997	16,188	- 44,809	1,245,463

LAND BANK COMMISSIONER

Year and quarter	Loans outstanding at beginning of year or quarter	Principal repayments	Other deductions (net) 2/	Total	Loans closed	Net change in outstanding loans	Loans outstanding at end of year or quarter
1933		51	24	75	70,813	70,738	70,738
1934	70,738	4,210	2,838	7,048	553,135	546,087	616,825
1935	616,825	11,955	6,540	18,495	196,396	177,901	794,726
1936	794,726	23,556	11,650	35,206	77,258	42,052	836,778
1937	836,778	46,513	17,536	64,049	40,020	- 24,029	812,749
1938	812,749	57,825	31,468	89,293	29,395	- 59,898	752,851
1939	752,851	64,005	25,383	89,388	27,417	- 61,971	690,880
1940	690,880	61,183	18,065	79,248	36,664	- 42,584	648,296
1941	648,296	76,373	12,654	89,027	37,533	- 51,494	596,802
1942	596,802	106,113	7,027	113,140	28,535	- 84,605	512,197
1943:							
Jan.-March	512,197	35,456	1,390	36,846	7,933	- 28,913	483,284
Apr.-June	483,284	28,683	727	29,410	9,383	- 20,027	463,257
July-Sept.	463,257	30,101	674	30,775	4,964	- 25,811	437,446
Oct.-Dec.	437,446	38,780	693	39,473	8,217	- 31,256	406,190
1944:							
Jan.-March	406,190	31,769	1,747	33,516	10,430	- 23,086	383,104
Apr.-June	383,104	21,663	649	22,312	8,089	- 14,223	368,881

1/ Includes Puerto Rico. Excludes purchase-money mortgages and sales contracts.
2/ Includes foreclosures, voluntary deeds, loans in process of foreclosure, etc., less increases in loans by reason of reamortizations, reinstatements, etc.

Farm Credit Administration.

Table 9 - Agricultural loans held by insured commercial banks, by States, on specified dates, 1943-44 1/

State and division	Farm real estate loans			Personal and collateral loans				
	1943	1944		1943	1944			
					January 1		July 1	
	January 1	January 1	July 1	January 1	Total	Under Commodity Credit Corporation guarantee 2/	Total	Under Commodity Credit Corporation guarantee 2/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	1,692	1,343	1,294	2,251	2,629	580	2,506	569
New Hampshire	599	666	665	765	734	64	854	0
Vermont	7,415	6,852	6,647	3,247	3,704	13	4,360	6
Massachusetts	1,229	1,093	1,010	16,240	35,988	34,419	63,215	61,482
Rhode Island	245	265	263	123	171	6	198	37
Connecticut	1,254	1,216	1,252	1,399	1,692	0	1,512	0
New England	12,434	11,435	11,131	24,025	44,918	35,082	72,645	62,094
New York	14,591	12,960	12,110	41,958	45,005	22,342	89,521	64,736
New Jersey	4,369	4,094	4,119	3,960	3,245	23	4,223	16
Pennsylvania	24,481	22,898	22,114	16,990	15,007	1,714	13,788	1,182
Middle Atlantic	43,441	39,952	38,343	62,908	63,257	24,079	107,532	65,934
Ohio	37,100	36,416	38,228	29,853	22,791	2,439	22,656	1,409
Indiana	21,166	23,945	24,844	28,992	22,832	2,488	23,367	806
Illinois	21,851	20,434	20,894	79,181	58,046	7,749	53,979	11,710
Michigan	15,718	16,068	15,632	18,650	17,799	866	20,300	652
Wisconsin	25,109	24,508	25,568	21,148	22,321	495	24,087	357
East North Central	120,944	121,371	125,166	177,824	143,789	14,037	144,389	14,934
Minnesota	18,199	17,126	17,725	68,173	50,514	5,598	44,631	1,335
Iowa	42,153	38,795	39,728	134,599	92,089	4,795	67,825	4,589
Missouri	18,016	21,278	20,762	78,579	63,994	14,362	66,580	11,632
North Dakota	691	653	747	58,412	32,036	24,241	14,639	2,921
South Dakota	1,930	1,917	2,194	43,259	30,668	6,341	26,306	1,625
Nebraska	6,171	5,254	5,581	105,300	66,411	12,783	44,587	2,412
Kansas	8,628	7,944	8,871	120,528	66,364	20,357	56,357	2,192
West North Central	95,788	92,967	95,608	608,850	402,076	88,477	320,925	26,706
Delaware	3,076	2,811	2,929	1,894	1,011	123	989	0
Maryland	9,199	8,693	8,608	5,429	3,793	593	3,850	338
District of Columbia	29	55	45	0	255	250	257	257
Virginia	14,025	13,421	13,698	14,114	14,134	3,093	16,301	2,018
West Virginia	4,961	4,728	4,651	2,225	2,205	64	2,253	82
North Carolina	10,783	10,396	11,185	10,720	16,504	10,246	20,562	7,649
South Carolina	1,401	1,513	1,719	8,795	16,643	13,828	19,795	12,251
Georgia	6,190	6,488	6,861	35,808	60,123	49,282	42,365	24,464
Florida	3,099	2,686	2,462	4,760	6,220	1,036	4,909	714
South Atlantic	52,763	50,791	52,158	83,745	120,888	78,515	111,281	47,773
Kentucky	21,315	19,856	20,082	15,725	17,171	1,254	16,150	1,080
Tennessee	11,731	11,895	12,342	19,078	27,246	12,073	30,861	12,815
Alabama	4,086	4,054	4,410	20,864	33,408	24,196	36,537	19,045
Mississippi	5,754	5,200	5,946	25,732	32,482	13,352	22,108	8,951
East South Central	42,886	41,005	42,780	81,399	110,307	50,875	105,656	41,891
Arkansas	3,012	3,087	3,555	24,699	33,003	22,017	32,381	16,333
Louisiana	5,316	4,970	4,952	11,096	16,004	9,126	12,972	6,782
Oklahoma	3,861	4,123	4,299	68,337	52,256	23,355	54,354	16,855
Texas	9,313	10,227	11,124	216,392	257,030	170,913	265,361	155,640
West South Central	21,502	22,407	23,930	320,524	358,293	225,411	365,068	195,610
Montana	758	856	1,056	38,040	28,883	16,574	18,794	3,479
Idaho	1,142	1,015	1,160	15,059	12,836	3,261	12,004	274
Wyoming	783	786	879	12,363	11,993	1,846	14,097	764
Colorado	1,827	1,873	2,092	45,486	37,588	7,185	30,313	2,792
New Mexico	497	610	717	8,976	9,742	2,361	13,504	3,094
Arizona	703	506	480	13,338	15,917	6,508	15,787	7,084
Utah	2,467	2,575	3,224	9,412	12,341	1,858	14,050	1,772
Nevada	283	333	437	1,895	2,381	0	2,720	0
Mountain	8,460	8,554	10,045	144,569	131,681	39,593	121,269	19,259
Washington	4,272	4,840	5,537	43,342	27,708	16,934	16,271	1,511
Oregon	1,417	1,393	1,383	19,325	15,566	8,422	13,347	3,848
California	72,769	53,718	61,648	75,261	86,766	17,041	95,870	24,541
Pacific	78,458	59,951	68,568	137,928	130,040	42,397	125,488	29,900
UNITED STATES	476,676	448,433	467,729	1,641,772	1,505,249	598,466	1,474,253	504,101
Possessions 3/	62	57	45	3	4	0	3	0

1/ Loans are classified according to location of bank and therefore are not strictly comparable by States with data for other lenders, which are classified according to location of security or borrower. Data back to 1935 available in earlier issues of the Agricultural Finance Review.

2/ Loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation.

3/ Alaska, Hawaii, and Virgin Islands.

Table 10 - Production credit associations and private financing institutions discounting with Federal intermediate credit banks: Loans to farmers outstanding on January 1 and July 1, 1943-44, by States 1/

State and division	Production credit associations				Private financing institutions 2/			
	1943		1944		1943		1944	
	January 1	July 1	January 1	July 1	January 1	July 1	January 1	July 1
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	857	1,481	1,241	1,652	241	337	177	209
New Hampshire	229	247	263	343	0	0	0	0
Vermont	1,250	1,445	1,496	1,814	241	220	214	259
Massachusetts	729	1,072	763	1,251	0	28	64	102
Rhode Island	366	383	360	327	0	0	0	0
Connecticut	1,298	1,335	1,578	1,554	29	7	28	23
New England	4,729	5,963	5,701	6,941	511	592	483	593
New York	7,041	9,210	8,186	10,977	1	2	0	60
New Jersey	1,249	1,823	1,241	1,996	0	46	0	23
Pennsylvania	3,675	4,121	3,877	4,693	0	0	0	0
Middle Atlantic	11,965	15,154	13,304	17,666	1	48	0	83
Ohio	6,716	7,641	7,975	8,501	872	809	827	662
Indiana	7,735	9,981	9,795	10,700	769	590	579	277
Illinois	11,449	12,891	11,515	10,708	1,233	1,030	984	523
Michigan	2,251	2,748	2,524	2,890	190	133	114	47
Wisconsin	4,846	5,160	4,699	5,408	959	857	834	883
East North Central	32,997	38,421	36,508	38,207	4,023	3,419	3,338	2,392
Minnesota	6,041	6,099	6,193	6,036	1,563	1,477	1,504	1,409
Iowa	7,973	7,654	8,265	5,822	845	659	751	258
Missouri	7,693	10,674	8,886	9,059	687	652	636	439
North Dakota	1,403	1,803	1,633	2,078	548	694	600	750
South Dakota	4,266	3,877	3,900	3,938	163	186	152	229
Nebraska	5,036	5,105	5,135	4,675	443	464	398	203
Kansas	5,605	5,954	4,871	4,518	694	432	222	140
West North Central	38,017	41,166	38,883	36,126	4,943	4,564	4,263	3,428
Delaware	345	393	314	405	0	0	0	0
Maryland	1,746	2,015	1,527	2,413	0	0	0	0
District of Columbia	0	0	0	0	0	0	0	0
Virginia	2,843	3,631	2,703	3,791	43	43	20	19
West Virginia	1,010	1,240	1,109	1,227	0	0	0	0
North Carolina	1,830	8,633	2,635	10,902	0	161	0	261
South Carolina	1,236	5,570	1,547	6,428	0	42	0	47
Georgia	2,730	8,411	3,307	9,669	0	0	0	0
Florida	4,374	2,788	4,357	2,875	279	10	250	8
South Atlantic	16,114	32,681	17,499	37,710	322	256	270	335
Kentucky	4,648	5,479	4,995	5,171	67	53	46	21
Tennessee	3,347	4,406	3,336	4,047	125	924	671	1,209
Alabama	2,031	5,164	2,604	6,340	166	237	184	260
Mississippi	2,818	10,199	3,961	11,991	4,878	3,753	4,355	3,121
East South Central	12,844	25,248	14,896	27,549	5,236	4,967	5,256	4,611
Arkansas	1,785	6,273	2,301	6,738	651	343	395	514
Louisiana	2,149	6,647	2,136	7,015	894	1,353	1,016	1,136
Oklahoma	4,013	5,932	4,253	5,282	2,025	2,700	1,936	2,278
Texas	21,242	27,568	22,267	29,051	11,465	11,452	9,674	10,611
West South Central	29,189	46,420	30,957	48,086	15,035	15,848	13,021	14,539
Montana	4,671	7,685	5,373	8,219	234	284	235	324
Idaho	3,778	5,527	3,991	6,022	99	252	71	166
Wyoming	1,562	2,270	1,663	2,456	446	828	469	865
Colorado	4,658	6,032	4,167	5,989	467	742	483	673
New Mexico	2,194	2,465	1,881	2,578	511	765	368	804
Arizona	2,179	1,846	2,186	2,357	812	984	1,073	919
Utah	1,891	2,427	2,548	2,862	1,831	2,824	1,678	2,408
Nevada	1,087	1,409	918	1,445	37	53	0	21
Mountain	22,020	29,661	22,727	31,868	4,437	6,732	4,377	6,180
Washington	1,498	2,173	1,562	2,406	344	450	160	346
Oregon	3,663	5,492	4,040	5,729	0	1	0	5
California	9,622	12,462	10,560	14,108	3,330	3,641	2,969	2,804
Pacific	14,783	20,127	16,162	22,243	3,674	4,092	3,129	3,155
UNITED STATES	182,658	254,841	196,637	266,396	38,182	40,518	34,137	35,316
Puerto Rico	2,062	2,150	2,119	2,393	877	91	1,641	183

1/ Excludes loans secured by agricultural commodities covered by purchase agreements of the Commodity Credit Corporation.
2/ Includes only loans from and discounts with Federal intermediate credit banks.

Farm Credit Administration.

Table 11.- Regional Agricultural Credit Corporation: Wartime food production loans made and outstanding and total loans outstanding, by States, on specified dates, 1943-44

State and division	Wartime food production loans						All loans	
	Loans made 1943		Loans made January 1 through June 30		Loans outstanding		Outstanding 1/	
	Total	Special war crop advances 2/	1943 3/	1944 4/	June 30, 1943	June 30, 1944	June 30, 1943	June 30, 1944
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	1,989	1,513	1,314	453	1,309	606	1,309	606
New Hampshire	148	68	83	23	83	76	83	76
Vermont	101	26	109	0	106	40	106	40
Massachusetts	113	2	89	3	87	25	88	25
Rhode Island	39	6	35	0	35	13	35	14
Connecticut	87	17	64	0	59	29	59	29
New England	2,477	1,632	1,694	479	1,679	789	1,680	790
New York	1,495	697	1,139	24	1,122	517	1,123	519
New Jersey	177	58	150	0	146	43	240	117
Pennsylvania	877	385	757	6	739	412	739	412
Middle Atlantic	2,549	1,140	2,046	30	2,007	972	2,102	1,048
Ohio	471	195	406	0	399	146	399	146
Indiana	770	256	689	0	651	182	651	183
Illinois	619	103	572	0	545	76	545	76
Michigan	1,352	693	1,098	0	1,069	345	1,069	345
Wisconsin	2,072	950	1,727	0	1,673	527	1,674	527
East North Central	5,284	2,197	4,492	0	4,337	1,276	4,338	1,277
Minnesota	3,856	2,551	3,269	94	3,209	676	3,218	678
Iowa	1,839	171	1,739	14	1,671	343	1,671	343
Missouri	1,832	567	1,677	0	1,598	312	1,598	312
North Dakota	7,525	6,922	5,664	0	5,633	672	5,955	753
South Dakota	2,074	948	1,896	37	1,833	542	1,853	543
Nebraska	3,513	649	2,921	0	2,818	834	2,824	834
Kansas	1,851	282	1,645	0	1,593	748	1,594	749
West North Central	22,490	12,090	18,811	145	18,355	4,127	18,713	4,212
Delaware	146	137	119	2	118	9	118	9
Maryland	560	495	501	89	461	213	461	213
District of Columbia	0	0	0	0	0	0	0	0
Virginia	1,942	1,829	1,780	601	1,658	693	1,658	694
West Virginia	39	3	28	0	27	17	34	24
North Carolina	453	119	440	0	421	113	421	113
South Carolina	856	519	796	0	765	317	765	317
Georgia	1,722	584	1,584	0	1,528	460	1,528	460
Florida	421	241	396	20	312	159	324	170
South Atlantic	6,139	3,927	5,644	712	5,290	1,981	5,309	2,000
Kentucky	442	337	294	0	287	97	287	97
Tennessee	616	400	552	0	543	172	543	172
Alabama	288	149	265	0	223	68	224	69
Mississippi	416	95	395	0	376	187	377	187
East South Central	1,762	981	1,506	0	1,429	524	1,431	525
Arkansas	1,123	347	997	0	903	319	906	321
Louisiana	659	157	505	0	457	261	457	261
Oklahoma	2,039	479	1,666	112	1,613	1,251	1,613	1,251
Texas	3,133	857	2,671	129	2,561	1,165	2,586	1,176
West South Central	6,954	1,840	5,839	241	5,534	2,996	5,562	3,009
Montana	3,146	1,490	2,597	0	2,573	1,299	2,579	1,303
Idaho	1,912	1,242	1,467	197	1,432	475	1,432	475
Wyoming	1,101	272	610	104	574	458	574	458
Colorado	1,333	402	947	190	922	522	940	525
New Mexico	502	162	356	52	352	240	352	240
Arizona	14	0	11	0	12	1	12	1
Utah	437	10	313	46	301	95	301	96
Nevada	120	2	89	23	88	57	88	57
Mountain	8,565	3,580	6,390	612	6,254	3,147	6,278	3,155
Washington	1,489	617	1,049	0	987	312	2,615	2,777
Oregon	1,517	895	1,005	0	986	240	986	240
California	5,371	1,087	2,941	894	2,738	1,507	2,738	1,507
Pacific	8,377	2,599	4,995	894	4,711	2,059	6,339	4,524
Unallocated	0	0	1,875	0	2,002	0	2,002	21
UNITED STATES	64,597	29,986	53,292	3,113	51,598	17,871	53,754	20,561

1/ In addition to food production loans, includes special loans in the Wenatchee area of the State of Washington and a small amount outstanding in connection with old programs now in liquidation.
2/ Limited-liability crop loans, repayment of which under certain conditions was not required beyond the proceeds from the crop financed.
3/ Includes special war crop advances.
4/ Restricted area loans, excludes renewals of loans made under the 1943 food financing program. Includes small amount made in Florida and Oklahoma prior to January 1, 1944. No special war crop advances were made.

Farm Credit Administration.

Table 12.- Emergency crop and feed loans held by the Farm Credit Administration, and rural rehabilitation loans held by the Farm Security Administration, by States, January 1 and July 1, 1943-44

State and division	Emergency crop and feed loans 1/				Rural rehabilitation loans 2/			
	1943		1944		1943		1944	
	January 1	July 1	January 1	July 1	January 1	July 1	January 1	July 1
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	694	922	674	905	5,086	5,091	4,794	4,560
New Hampshire	32	51	39	48	1,129	1,197	1,139	1,192
Vermont	64	98	79	90	1,060	1,096	1,090	1,083
Massachusetts	47	79	46	75	554	585	524	537
Rhode Island	3/	3/	3/	3/	178	194	176	168
Connecticut	19	40	22	37	372	410	382	355
New England	856	1,190	860	1,155	8,379	8,573	8,105	7,895
New York	212	329	226	326	5,137	5,481	5,417	5,996
New Jersey	63	97	67	86	1,429	1,605	1,438	1,570
Pennsylvania	613	777	629	734	4,426	5,010	4,891	5,244
Middle Atlantic	888	1,203	922	1,146	10,992	12,096	11,746	12,810
Ohio	331	395	337	408	7,090	7,071	6,918	6,398
Indiana	371	422	373	419	4,711	4,646	4,683	4,246
Illinois	247	356	267	353	6,399	6,991	7,636	6,981
Michigan	578	595	557	572	6,964	6,561	6,317	5,934
Wisconsin	1,409	1,384	1,288	1,278	7,003	7,014	6,993	6,940
East North Central	2,936	3,152	2,822	3,030	32,167	32,283	32,547	30,499
Minnesota	7,083	6,952	6,444	6,425	12,030	12,037	12,554	11,609
Iowa	469	503	411	492	6,700	7,738	8,601	7,491
Missouri	2,200	2,254	2,153	2,214	11,908	12,744	11,934	10,934
North Dakota	41,103	41,189	39,154	38,939	9,669	8,584	7,111	7,137
South Dakota	26,670	25,891	24,401	24,074	17,085	16,624	15,199	15,116
Nebraska	7,018	6,651	6,183	5,950	13,217	12,351	10,987	10,141
Kansas	8,400	8,312	7,806	7,740	11,407	11,365	10,255	10,124
West North Central	92,943	91,752	86,552	85,834	82,016	81,443	76,641	72,552
Delaware	69	77	61	76	202	220	233	267
Maryland	351	411	349	416	1,072	1,337	1,239	1,480
District of Columbia	0	0	0	0	9	10	9	12
Virginia	1,890	2,329	1,809	2,315	3,396	3,473	3,435	3,780
West Virginia	377	440	378	425	2,690	2,289	2,550	2,464
North Carolina	1,518	2,866	1,539	3,023	7,978	8,912	6,506	8,938
South Carolina	2,480	4,532	2,591	4,798	10,187	11,800	10,086	10,574
Georgia	2,599	4,194	2,624	4,180	19,507	21,436	17,074	17,767
Florida	1,636	1,601	1,573	1,570	6,473	6,899	6,240	6,111
South Atlantic	10,920	16,450	10,924	16,803	51,514	56,376	47,372	51,393
Kentucky	1,049	1,163	1,053	1,135	4,638	3,907	4,312	3,766
Tennessee	898	1,140	897	1,139	2,581	2,724	2,611	2,693
Alabama	1,885	2,372	1,858	2,288	21,407	22,660	18,747	18,013
Mississippi	1,811	2,342	1,894	2,335	15,759	18,653	14,523	16,466
East South Central	5,643	7,017	5,702	6,897	44,385	47,944	40,193	40,938
Arkansas	3,212	3,984	3,284	4,045	14,097	16,538	13,357	15,102
Louisiana	1,586	2,553	1,563	2,598	11,273	12,926	9,875	10,983
Oklahoma	2,476	2,638	2,427	2,545	16,505	18,389	16,828	17,844
Texas	10,477	11,445	9,843	10,925	27,122	30,928	27,986	28,265
West South Central	17,751	20,620	17,117	20,113	68,997	78,781	68,046	72,194
Montana	11,964	11,790	10,706	10,399	8,914	9,043	8,059	8,286
Idaho	722	796	646	692	6,288	5,815	4,977	4,793
Wyoming	1,582	1,546	1,388	1,413	8,041	8,255	7,213	7,352
Colorado	3,625	3,681	3,368	3,423	12,003	11,866	10,398	10,543
New Mexico	2,549	2,643	2,425	2,541	3,632	3,814	3,574	3,739
Arizona	234	255	218	240	1,473	1,409	1,249	1,166
Utah	1,003	309	873	859	4,053	3,471	3,120	3,086
Nevada	28	27	25	25	432	442	416	447
Mountain	21,707	21,047	19,649	19,592	44,836	44,115	39,006	39,412
Washington	949	971	865	847	6,074	5,969	5,503	5,355
Oregon	325	353	300	320	3,720	3,457	3,041	2,909
California	493	1,180	427	436	9,263	7,472	6,514	6,289
Pacific	1,767	2,504	1,592	1,603	19,057	16,898	15,058	14,553
UNITED STATES	4/ 155,456	5/ 164,948	6/ 146,181	7/ 156,187	362,343	378,509	338,714	342,246
Possessions	1,219	1,354	1,469	1,350	1,156	1,793	1,909	2,159

1/ Includes drought-relief loans made in 1934 and 1935 and orchard-rehabilitation loans made in 1942.
2/ Loans to individuals on and off projects, water-facility loans, and project-equipment loans. Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.
3/ Less than $500.
4/ Includes $45,000 not allocable by States.
5/ Includes $13,000 not allocable by States.
6/ Includes $41,000 not allocable by States.
7/ Includes $14,000 not allocable by States.

Table 13 - Farm Security Administration: Number of individual borrowers, and amount of various types of loans held, by States, July 1, 1944 1/

State and division	Loans to individuals: Number of individual borrowers 2/	Loans to individuals: Rural rehabilitation 3/	Loans to individuals: Construction and farm-development loans 4/	Loans to individuals: Tenant-purchase loans 5/	Loans to cooperatives 6/	Total loans
	Number	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	3,803	4,560	86	181	12	4,839
New Hampshire	1,082	1,192	34	57	95	1,378
Vermont	954	1,083	63	186	13	1,345
Massachusetts	712	537	3	125	0	665
Rhode Island	205	168	0	10	0	178
Connecticut	341	355	0	98	0	453
New England	7,097	7,895	186	657	120	8,858
New York	5,094	5,996	166	1,594	666	8,422
New Jersey	1,376	1,570	59	431	312	2,372
Pennsylvania	5,631	5,244	122	2,534	45	7,945
Middle Atlantic	12,101	12,810	347	4,559	1,023	18,739
Ohio	23,736	6,398	204	4,372	1,049	12,023
Indiana	7,817	4,246	171	3,737	1,361	9,515
Illinois	11,928	6,981	105	5,734	727	13,547
Michigan	10,790	5,934	448	2,388	34	8,804
Wisconsin	23,475	6,940	1,317	3,017	194	11,468
East North Central	77,746	30,499	2,245	19,248	3,365	55,357
Minnesota	29,378	11,609	1,272	4,923	350	18,154
Iowa	9,753	7,491	77	6,477	1,030	15,075
Missouri	44,144	10,934	305	6,319	2,589	20,147
North Dakota	27,807	7,137	27	1,751	396	9,311
South Dakota	31,505	15,116	73	2,305	200	17,694
Nebraska	12,038	10,141	19	3,660	216	14,036
Kansas	13,162	10,124	54	4,225	332	14,735
West North Central	167,737	72,552	1,827	29,660	5,113	109,152
Delaware	293	267	5	218	0	490
Maryland 7/	1,866	1,492	16	956	13	2,477
Virginia	11,305	3,780	51	3,524	254	7,609
West Virginia	8,385	2,464	49	1,619	3	4,135
North Carolina	19,866	8,938	378	9,566	1,399	20,281
South Carolina	17,171	10,574	105	7,363	616	18,658
Georgia	34,194	17,767	78	11,685	1,707	31,237
Florida	13,572	6,111	31	1,067	1,393	8,602
South Atlantic	106,652	51,393	713	35,998	5,385	93,489
Kentucky	13,967	3,766	130	4,942	0	8,838
Tennessee	10,000	2,693	137	6,669	149	9,648
Alabama	37,045	18,013	210	10,381	1,899	30,503
Mississippi	39,723	16,466	570	10,838	1,575	29,449
East South Central	100,735	40,938	1,047	32,830	3,623	78,438
Arkansas	43,307	15,102	1,031	7,776	2,199	26,108
Louisiana	36,923	10,983	145	6,367	1,451	18,946
Oklahoma	29,640	17,844	303	8,382	82	26,611
Texas	58,989	28,265	425	17,624	1,961	48,275
West South Central	168,859	72,194	1,904	40,149	5,693	119,940
Montana	6,666	8,286	630	772	1,046	10,734
Idaho	4,643	4,793	372	720	336	6,221
Wyoming	4,750	7,352	265	287	63	7,967
Colorado	11,055	10,543	85	1,436	505	12,569
New Mexico	17,750	3,739	37	386	463	4,625
Arizona	1,400	1,166	4	218	130	1,518
Utah	3,740	3,086	108	262	254	3,710
Nevada	441	447	0	43	255	745
Mountain	50,445	39,412	1,501	4,124	3,052	48,089
Washington	5,547	5,355	345	972	64	6,736
Oregon	3,612	2,909	374	814	130	4,227
California	6,697	6,289	135	1,739	209	8,372
Pacific	15,856	14,553	854	3,525	403	19,335
UNITED STATES	707,278	342,246	10,624	170,750	27,777	551,397
Possessions 8/	10,761	2,159	0	3,447	335	5,941

1/ Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.
2/ Number of borrowers with outstanding loans.
3/ Loans to individuals on and off projects, water facility loans, and project equipment loans.
4/ In addition to loans for construction of farmstead improvements, this includes farm-development (special real estate) loans.
5/ Includes farm-enlargement loans initiated about October 1942.
6/ Includes loans to defense relocation corporations.
7/ Includes small amount of loans in the District of Columbia.
8/ Alaska, Hawaii, Puerto Rico, and Virgin Islands.

Farm Security Administration.

Table 14.- Farm Security Administration tenant-purchase loan program: Number of borrowers, acreage, cost of properties, and amount of loans approved, by States, cumulative from organization to July 1, 1944 1/

State and division	Borrowers	Acreage	Cost of properties: Original purchase price 2/	Cost of properties: Cost of added improvements	Cost of properties: Total cost	Cost borne by borrowers	Tenant-purchase loans
	Number	Acres	Dollars	Dollars	Dollars	Dollars	Dollars
Maine	33	4,995	135,743	46,807	182,550	754	181,796
New Hampshire	12	1,848	51,583	19,891	71,474	0	71,474
Vermont	39	7,664	177,938	32,974	210,912	60	210,852
Massachusetts	25	2,302	125,083	32,285	157,368	386	156,982
Rhode Island	2	75	7,723	2,574	10,297	0	10,297
Connecticut	14	1,685	96,823	18,073	114,896	805	114,091
New England	125	18,569	594,893	152,604	747,497	2,005	745,492
New York	295	41,779	1,390,307	342,951	1,733,258	2,632	1,730,626
New Jersey	58	5,715	342,080	65,158	407,238	0	407,238
Pennsylvania	478	57,531	2,204,633	555,573	2,760,206	2,453	2,757,753
Middle Atlantic	831	105,025	3,937,020	963,682	4,900,702	5,085	4,895,617
Ohio	656	71,668	4,433,598	922,225	5,355,823	24,835	5,330,988
Indiana	474	52,968	3,697,649	704,314	4,401,963	12,534	4,389,429
Illinois	688	97,597	5,929,866	982,128	6,911,994	29,953	6,882,041
Michigan	359	43,220	2,192,428	540,612	2,733,040	4,824	2,728,216
Wisconsin	516	53,263	2,907,999	608,629	3,516,628	16,720	3,499,908
East North Central	2,693	318,716	19,161,540	3,757,908	22,919,448	88,866	22,830,582
Minnesota	638	112,162	4,780,299	714,298	5,494,597	36,498	5,458,099
Iowa	884	125,452	7,022,415	982,969	8,005,384	80,366	7,925,018
Missouri	1,242	194,412	5,868,018	1,765,416	7,633,434	10,067	7,623,367
North Dakota	387	198,869	1,916,829	692,851	2,609,680	3,632	2,606,048
South Dakota	383	169,510	2,357,551	557,895	2,915,446	4,953	2,910,493
Nebraska	487	140,020	4,160,305	650,830	4,811,135	19,986	4,791,149
Kansas	589	146,191	4,183,189	934,194	5,117,383	7,078	5,110,305
West North Central	4,610	1,086,616	30,288,606	6,298,453	36,587,059	162,580	36,424,479
Delaware	46	7,979	206,814	60,664	267,478	1,054	266,424
Maryland	158	23,698	860,403	224,829	1,085,232	290	1,084,942
Virginia	802	108,469	3,123,636	1,194,173	4,317,809	3,840	4,313,969
West Virginia	384	52,537	1,392,579	480,925	1,873,504	1,101	1,872,403
North Carolina	2,514	230,070	7,576,707	3,779,872	11,356,579	6,348	11,350,231
South Carolina	2,049	223,604	5,562,852	3,409,490	8,972,342	8,270	8,964,072
Georgia	3,726	462,490	8,309,445	6,390,638	14,700,083	7,673	14,692,410
Florida	299	47,138	682,477	591,627	1,274,104	489	1,273,615
South Atlantic	9,978	1,155,985	27,714,913	16,132,218	43,847,131	29,065	43,818,066
Kentucky	869	103,256	4,769,083	1,420,842	6,189,925	11,492	6,178,433
Tennessee	1,550	184,334	5,693,561	2,732,470	8,426,031	6,657	8,419,374
Alabama	3,164	321,831	7,505,134	5,884,808	13,390,002	14,623	13,375,379
Mississippi	2,876	251,790	8,373,917	5,484,438	13,858,355	343	13,858,012
East South Central	8,459	861,211	26,341,755	15,522,558	41,864,313	33,115	41,831,198
Arkansas	2,112	199,860	5,829,872	3,901,422	9,731,294	690	9,730,604
Louisiana	1,439	117,912	4,605,655	3,044,765	7,650,420	1,591	7,648,829
Oklahoma	1,641	299,785	7,610,856	2,339,377	9,950,233	19,814	9,930,419
Texas	2,832	579,408	15,804,793	5,300,453	21,105,246	28,197	21,077,049
West South Central	8,024	1,196,965	33,851,176	14,586,017	48,437,193	50,292	48,386,901
Montana	82	27,237	555,256	243,612	798,868	0	798,868
Idaho	96	11,226	797,017	177,725	974,742	658	974,084
Wyoming	36	10,255	227,574	79,355	306,929	2,805	304,124
Colorado	184	45,776	1,427,171	356,742	1,783,913	6,701	1,777,212
New Mexico	58	15,932	383,484	151,787	535,271	0	535,271
Arizona	25	1,292	199,929	24,992	224,921	1,024	223,897
Utah	39	3,366	239,266	57,927	297,193	1,302	295,891
Nevada	6	1,401	35,176	2,648	37,824	0	37,824
Mountain	526	116,485	3,864,873	1,094,788	4,959,661	12,490	4,947,171
Washington	122	17,447	916,005	199,375	1,115,380	3,313	1,112,067
Oregon	107	11,433	706,660	183,498	890,158	195	889,963
California	216	12,866	1,658,919	402,555	2,061,474	3,732	2,057,742
Pacific	445	41,746	3,281,584	785,428	4,067,012	7,240	4,059,772
UNITED STATES	35,691	4,901,318	149,036,360	59,293,656	208,330,016	390,738	207,939,278
Possessions 3/	735	26,357	2,752,558	1,156,639	3,909,197	4,152	3,905,045

1/ Includes farm-enlargement loans, supplemental loans, and loans from State Rural Rehabilitation Corporation trust funds. The farm-enlargement loan program was initiated about October 1942.
2/ Includes fees incidental to the purchase of properties.
3/ Hawaii and Puerto Rico.

Farm Security Administration.

Table 15.- Commodity Credit Corporation: Cotton, corn, wheat, and other loans made during year ended June 30, 1944, and outstanding on July 1, 1944, by States 1/

State and division	Made during year ended June 30, 1944 2/					Outstanding July 1, 1944				
	Cotton	Corn	Wheat	Other	Total	Cotton	Corn	Wheat	Other	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	0	0	0	2,568	2,568	0	0	0	1,548	1,548
New Hampshire	0	0	0	34	34	0	0	0	33	33
Vermont	0	0	0	1	1	0	0	0	0	0
Massachusetts	0	0	0	60	60	0	0	0	0	0
Rhode Island	0	0	0	102	102	0	0	0	98	98
Connecticut	0	0	0	62	62	0	0	0	27	27
New England	0	0	0	2,827	2,827	0	0	0	1,706	1,706
New York	0	0	0	112	112	0	0	2	107	109
New Jersey	0	0	17	0	17	0	0	0	0	0
Pennsylvania	0	0	172	50	222	0	0	7	38	45
Middle Atlantic	0	0	189	162	351	0	0	9	145	154
Ohio	0	17	81	58	156	0	15	27	8	50
Indiana	0	61	63	102	226	0	45	20	27	92
Illinois	0	746	172	177	1,095	1	446	34	57	538
Michigan	0	0	7	649	656	0	0	21	111	132
Wisconsin	0	0	0	157	157	0	0	0	148	148
East North Central	0	824	323	1,143	2,290	1	506	102	351	960
Minnesota	0	292	4,111	1,828	6,231	0	234	415	1,196	1,845
Iowa	0	4,041	308	230	4,579	0	3,336	51	122	3,509
Missouri	6,576	189	187	43	6,995	10,136	140	42	14	10,332
North Dakota	0	0	37,675	1,361	39,036	0	0	7,245	853	8,098
South Dakota	0	123	5,988	494	6,605	0	108	1,776	268	2,152
Nebraska	0	990	12,444	90	13,524	0	866	1,503	43	2,412
Kansas	0	32	30,257	61	30,350	0	42	2,345	32	2,419
West North Central	6,576	5,667	90,970	4,107	107,320	10,136	4,726	13,377	2,528	30,767
Delaware	0	0	241	4	245	0	0	10	2	12
Maryland	0	0	695	0	695	0	0	25	5	30
Virginia	23	0	53	4	80	22	0	12	1	35
West Virginia	0	0	0	0	0	0	0	0	0	0
North Carolina	8,747	0	1	0	8,748	9,237	0	1	0	9,238
South Carolina	18,122	0	0	0	18,122	21,017	0	0	0	21,017
Georgia	29,198	0	0	104	29,302	33,603	0	0	258	33,861
Florida	2	0	0	0	2	35	0	0	0	35
South Atlantic	56,092	0	990	112	57,194	63,914	0	48	266	64,228
Kentucky	0	11	70	0	81	0	11	5	92	108
Tennessee	11,998	0	108	18	12,124	12,426	0	10	644	13,080
Alabama	34,830	0	0	0	34,830	31,684	0	0	0	31,684
Mississippi	23,348	0	0	0	23,348	20,622	0	0	0	20,622
East South Central	70,176	11	178	18	70,383	64,732	11	15	736	65,494
Arkansas	36,983	0	4	0	36,987	48,863	0	4	0	48,867
Louisiana	13,331	0	0	0	13,331	11,244	0	0	0	11,244
Oklahoma	18,500	0	8,952	7	27,459	20,501	0	457	0	20,958
Texas	119,026	0	16,440	41	135,507	148,095	0	322	6	148,423
West South Central	187,840	0	25,396	48	213,284	228,703	0	783	6	229,492
Montana	0	0	14,565	542	15,107	0	0	6,096	249	6,345
Idaho	0	0	2,226	899	3,125	0	0	400	23	423
Wyoming	0	0	1,238	75	1,313	0	0	646	21	667
Colorado	0	0	5,427	51	5,478	0	0	466	8	474
New Mexico	3,928	0	830	2	4,760	2,286	0	70	0	2,356
Arizona	7,293	0	0	0	7,293	7,717	0	0	0	7,717
Utah	0	0	249	23	272	0	0	51	1	52
Nevada	0	0	0	0	0	0	0	0	0	0
Mountain	11,221	0	24,535	1,592	37,348	10,003	0	7,729	302	18,034
Washington	0	0	11,401	76	11,477	0	0	574	11	585
Oregon	0	0	7,500	124	7,624	0	0	806	19	825
California	10,401	0	470	2,104	12,975	17,989	0	93	0	18,082
Pacific	10,401	0	19,371	2,304	32,076	17,989	0	1,473	30	19,492
Unallocated	0	0	0	5,058	5,058	3,800	6	57	1,906	5,769
UNITED STATES	342,306	6,502	161,952	17,371	528,131	399,278	5,249	23,593	7,976	436,096

1/ Includes loans made directly by the Commodity Credit Corporation and guaranteed loans made by banks and other lending agencies.
2/ Renewals and extensions of loans are excluded. As far as possible loans have been distributed according to the location of producers receiving the loans. Direct loans to cooperatives have been distributed according to the location of the association.

Commodity Credit Corporation.

Table 16.- Commodity Credit Corporation: Loan programs from date of organization to July 1, 1944 and loans outstanding on July 1, 1944, by commodities

Commodity program	Total loans made 1/			Loans outstanding July 1, 1944 2/				
	Amount	Commodities pledged		Held by Commodity Credit Corporation	Held by private lending agencies	Total	Commodities pledged	
		Quantity	Unit				Quantity	Unit
	1,000 dollars	1,000 units		1,000 dollars	1,000 dollars	1,000 dollars	1,000 units	
Cotton:								
1933-42	1,470,584	25,311	Bale	136,351	7,507	143,858	1,633	Bale
1943	342,306	3,585	do.	201,097	54,323	255,420	2,553	do.
Total	1,812,890	28,896	do.	337,448	61,830	399,278	4,186	do.
Corn:								
1933-42	667,187	1,182,049	Bu.	55	113	168	232	Bu.
1943	6,502	7,723	do.	85	4,996	5,081	6,045	do.
Total	673,689	1,189,772	do.	140	5,109	5,249	6,277	do.
Wheat:								
1938-43	1,189,727	1,304,736	do.	2,543	1,220	3,763	3,050	do.
1943	161,952	129,848	do.	662	19,168	19,830	15,569	do.
Total	1,351,679	1,434,584	do.	3,205	20,388	23,593	18,619	do.
Tobacco:								
1931-42	28,199	203,004	Lb.	174	543	717	2,808	Lb.
1943	18	71	do.	0	19	19	71	do.
Total	28,217	203,075	do.	174	562	736	2,879	do.
Barley:								
1940-42	17,389	38,971	Bu.	42	0	42	81	Bu.
1943	557	759	do.	36	44	80	109	do.
Total	17,946	39,730	do.	78	44	122	190	do.
Dates:								
1937	61	1,533	Lb.	0	0	0	0	Lb.
Figs:								
1937-39	260	14.6	Ton	0	0	0	0	Ton
Flaxseed:								
1941-42	4,721	2,319	Bu.	6	0	6	3	Bu.
1943	1,594	600	do.	39	832	871	318	do.
Total	6,315	2,919	do.	45	832	877	321	do.
Grain sorghums:								
1940-42	204	540	Bu.	0	0	0	0	Bu.
1943	39	46	do.	2	6	8	10	do.
Total	243	586	do.	2	6	8	10	do.
Hops:								
1938	1,388	7,077	Lb.	0	0	0	0	Lb.
Peanuts:								
1937-40	14,986	250.2	Ton	0	0	0	0	Ton
Pecans:								
1938	371	3,705	Lb.	0	0	0	0	Lb.
Prunes:								
1937-40	8,137	170.0	Ton	0	0	0	0	Ton
Raisins:								
1937-40	9,079	237.3	do.	0	0	0	0	do.
Rye:								
1939-42	6,541	13,437	Bu.	25	0	25	43	Bu.
1943	98	131	do.	6	6	12	16	do.
Total	6,639	13,568	do.	31	6	37	59	do.
Soybeans:								
1941-42	5,680	3,790	do.	11	7	18	12	do.
1943	474	258	do.	146	31	177	92	do.
Total	6,154	4,048	do.	157	38	195	104	do.
Wool and mohair:								
1938-39	16,830	93,978	Lb.	0	0	0	0	Lb.
Naval stores:								
1934-42, turpentine	11,660	681	Bbl.	0	0	0	0	Bbl.
1934-42, rosin . .	33,479	2,979	do.	258	0	258	23	do.
1943, turpentine .	3	0	do.	0	0	0	0	do.
1943, rosin	118	6	do.	0	0	0	0	do.
Total turpentine	11,663	681	do.	0	0	0	0	do.
Total rosin	33,597	2,985	do.	258	0	258	23	do.
Butter:								
1938-40	32,156	127,186	Lb.	0	0	0	0	Lb.
Hay and pasture seeds:								
1943	20	174	do.	0	0	0	0	do.
Dry beans:								
1943	3,937	455	Cwt.	1	1	2	476	Cwt.
Dry peas:								
1943	178	42	do.	46	0	46	11	do.
Potatoes:								
1943	6,687	4,246	do.	3,055	734	3,789	2,315	do.
Other: 3/	9,906			1,906	0	1,906		
Grand total . . .	4,053,026			346,546	89,550	436,096		

1/ Includes loans made directly by Commodity Credit Corporation and guaranteed loans made by banks and other lending agencies. Renewals and extensions of loans previously made are excluded. These are face amounts only; advances for storage, handling and transportation are excluded.

2/ Book values of outstanding loans held by the Corporation include face amounts and all charges paid. With the exception of loans on tobacco, loans held by private lending agencies are face amounts only. Accrued charges are excluded.

3/ Includes American-Egyptian cottonseed, 1943; fiber flax, 1942; hemp seed harvesting equipment, 1942; linseed oil, 1942; olive oil, 1942-43; peanut equipment and warehousing, 1942; Raisin Producers Association; and war hemp.

Commodity Credit Corporation.

Table 17.- Rural Electrification Administration: Loans made and number of rural consumers connected from organization to January 1, 1944

State and division	Number of borrowers	Loans made: Classified by type of borrower: Total	Cooperative associations	Public bodies 1/	Private utilities	Classified by purpose: Construction 2/	Wiring, plumbing, and other 3/	Rural consumers connected
	Number	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Number
Maine	4	532	532	0	0	519	13	1,010
New Hampshire	1	1,453	1,453	0	0	1,421	32	2,594
Vermont	3	1,083	1,083	0	0	1,060	23	2,543
Massachusetts	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0	0	0
New England	8	3,068	3,068	0	0	3,000	68	6,147
New York	7	2,224	360	0	1,864	2,224	0	6,400
New Jersey	2	495	495	0	0	491	4	1,418
Pennsylvania	13	10,133	10,133	0	0	10,033	100	28,703
Middle Atlantic ..	22	12,852	10,988	0	1,864	12,748	104	36,521
Ohio	28	17,458	17,458	0	0	17,336	122	59,602
Indiana	45	19,992	19,562	0	430	19,915	77	69,708
Illinois	28	19,211	19,130	0	81	19,053	158	50,938
Michigan	13	12,617	12,617	0	0	12,355	262	30,676
Wisconsin	32	16,999	16,909	90	0	16,675	324	34,785
East North Central	146	86,277	85,676	90	511	85,334	943	245,709
Minnesota	51	25,255	25,255	0	0	24,553	702	59,468
Iowa	53	22,953	22,852	95	6	22,812	141	56,024
Missouri	38	18,471	18,359	0	112	18,242	229	50,934
North Dakota	8	3,438	3,438	0	0	3,332	106	5,829
South Dakota	11	1,997	1,997	0	0	1,958	39	4,183
Nebraska	21	10,879	0	10,879	0	10,434	445	19,723
Kansas	25	7,857	7,822	0	35	7,773	84	17,076
West North Central	207	90,850	79,723	10,974	153	89,104	1,746	213,237
Delaware	1	1,015	1,015	0	0	1,012	3	2,933
Maryland	2	1,691	1,691	0	0	1,691	0	4,534
Virginia	16	9,428	9,235	0	193	9,353	75	24,244
West Virginia.......	2	669	669	0	0	664	5	1,368
North Carolina	34	14,377	13,923	246	208	14,072	305	39,100
South Carolina	26	8,188	7,706	482	0	7,974	214	30,328
Georgia	45	16,304	16,197	0	107	15,663	641	65,415
Florida	14	3,545	3,333	0	212	3,460	85	9,908
South Atlantic ...	140	55,217	53,769	728	720	53,889	1,328	177,830
Kentucky	26	11,832	11,832	0	0	11,685	147	43,698
Tennessee	29	12,602	11,514	1,088	0	12,557	45	69,201
Alabama	23	7,883	7,641	242	0	7,747	136	33,331
Mississippi	24	10,682	10,613	69	0	10,456	226	44,165
East South Central	102	42,999	41,600	1,399	0	42,445	554	190,395
Arkansas	19	8,637	8,114	0	523	8,524	113	25,620
Louisiana	14	8,221	8,171	0	50	8,170	51	15,512
Oklahoma	24	9,821	9,634	0	187	9,722	99	24,431
Texas	80	30,466	29,918	548	0	29,953	513	86,395
West South Central	137	57,145	55,837	548	760	56,369	776	151,958
Montana	15	3,042	3,042	0	0	3,006	36	7,088
Idaho	9	3,324	3,324	0	0	3,270	54	6,751
Wyoming	13	2,385	2,306	0	79	2,304	81	4,758
Colorado	19	6,425	6,389	0	36	6,351	74	14,873
New Mexico	7	1,225	1,009	0	216	1,143	82	2,553
Arizona	3	1,055	816	142	97	1,042	13	1,335
Utah	3	935	935	0	0	884	51	2,192
Nevada	2	210	0	210	0	205	5	433
Mountain	71	18,601	17,821	352	428	18,205	396	39,983
Washington	19	5,927	4,913	1,014	0	5,890	37	12,312
Oregon	12	3,023	3,023	0	0	2,961	62	7,106
California	6	1,883	1,183	700	0	1,882	1	4,186
Pacific	37	10,833	9,119	1,714	0	10,733	100	23,604
UNITED STATES	870	377,842	357,601	15,805	4,436	371,827	6,015	1,085,384
Possessions 4/	3	654	384	270	0	652	2	980

1/ Municipalities, public power districts, and irrigation districts.
2/ Principally line construction, but includes amounts for working capital and for generating plants.
3/ These funds were loaned to borrowers for relending to individuals.
4/ Alaska and Virgin Islands.

Rural Electrification Administration.

Table 18.- Taxes levied on farm property and automotive taxes paid by farmers, United States, average 1909-13, annual 1924-43

Year	Property taxes levied 1/		Automotive taxes paid		
	Farm real estate	Farm personal property 2/	Licenses and permits	Motor fuel taxes 3/	
				State	Federal
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1909-13 average	184,315	28,437	4/ 1,195		
1924	511,370	62,938	36,084	11,612	
1925	516,790	62,622	41,127	21,896	
1926	525,564	63,786	45,446	28,209	
1927	544,690	65,417	47,626	37,294	
1928	555,635	69,594	50,310	42,680	
1929	567,493	73,323	52,808	55,626	
1930	566,956	71,082	55,092	63,108	
1931	526,454	54,678	53,217	61,873	
1932	461,670	42,779	49,831	56,895	6,953
1933	399,168	34,377	44,713	56,687	22,827
1934	384,842	35,146	44,815	60,586	18,821
1935	393,878	36,758	46,948	65,745	20,604
1936	396,277	39,886	50,830	70,570	21,438
1937	406,967	41,203	56,181	74,959	23,199
1938	401,998	42,108	55,702	76,057	23,354
1939	408,565	42,949	56,472	77,771	24,126
1940	401,954	5/ 43,885	6/ 59,000	6/ 80,000	6/ 25,000
1941	402,791	48,819	6/ 64,000	6/ 82,500	6/ 27,500
1942	5/ 393,885	6/ 57,000	-	-	-
1943	391,153	6/ 57,000	-	-	-

1/ Levies rather than payments are shown for property taxes because data for payments are not available for many States. For the country as a whole levies and payments probably are about equal over long periods.
2/ Includes taxes levied on motor vehicles under general property tax laws.
3/ State taxation of motor fuel began in 1919, Federal in 1932.
4/ 1910-14 average.
5/ Revised.
6/ Preliminary.

Table 19.- Tax levies on farm real estate: Amount per acre, index numbers of amount per acre, and amount per $100 of value, United States, 1890-1943

Year	Taxes per acre		Taxes per $100 of value 2/	Year	Taxes per acre		Taxes per $100 of value 2/
	Amount	Index 1/ (1909-13 = 100)			Amount	Index 1/ (1909-13 = 100)	
	Dollars	Percent	Dollars		Dollars	Percent	Dollars
1890	0.13	63		1917	0.31	151	0.58
1891	.13	63		1918	.33	160	.57
1892	.13	64		1919	.41	200	.59
1893	.13	65		1920	.51	244	.79
1894	.13	64		1921	.54	259	.94
1895	.14	65		1922	.54	261	.96
1896	.13	63		1923	.55	266	1.01
1897	.13	64		1924	.55	265	1.03
1898	.13	63		1925	.56	270	1.07
1899	.13	63		1926	.56	271	1.12
1900	.13	62		1927	.57	277	1.15
1901	.13	64		1928	.58	279	1.18
1902	.14	65		1929	.58	281	1.19
1903	.15	71		1930	.57	277	1.30
1904	.15	72		1931	.53	254	1.44
1905	.15	74		1932	.46	220	1.54
1906	.15	75		1933	.39	188	1.28
1907	.16	79		1934	.37	178	1.19
1908	.17	84		1935	.37	180	1.15
1909	.19	90	0.46	1936	.38	181	1.16
1910	.19	91	.47	1937	.39	186	1.19
1911	.21	99	.50	1938	.38	183	1.19
1912	.21	103	.49	1939	.39	186	1.23
1913	.24	117	.55	1940	.38	183	1.18
1914	.24	118	.56	1941	.38	183	1.10
1915	.26	128	.57	1942	.37	179	.98
1916	.28	136	.57	1943	.37	178	.86

1/ Index numbers computed before rounding tax-per-acre data to nearest cent.
2/ Derived from the tax-per-acre figures in column 1 and value-per-acre figures based on Census reports and the farm real estate value index of the Bureau of Agricultural Economics. Data unavailable prior to 1909.

Table 70.- Tax levies on farm real estate: Amount per acre, index numbers of amount per acre, and amount per $100 of value, by States, 1910, 1920, 1930, and 1939-43

State and division	Taxes per acre																Taxes per $100 of value 2/							
	Amount								Index numbers 1/ (1909-13 = 100)															
	1910	1920	1930	1939	1940	1941	1942	1943	1910	1920	1930	1939	1940	1941	1942	1943	1910	1920	1930	1939	1940	1941	1942	1943
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.									Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Maine	0.87	0.55	0.81	0.83	0.84	0.84	0.85	0.85	97	194	288	294	298	298	300	301	1.06	1.54	1.97	2.82	2.87	2.81	2.79	2.47
New Hampshire	.29	.57	.78	.89	.87	.87	.82	.79	92	182	248	282	277	276	262	250	1.08	1.64	2.00	2.59	2.51	2.46	2.26	2.03
Vermont	.20	.45	.58	.53	.53	.54	.54	.55	95	219	281	255	258	261	259	265	.82	1.17	1.59	1.75	1.75	1.78	1.64	1.55
Massachusetts	.78	1.55	2.16	2.75	2.70	2.68	2.68	2.58	96	191	268	341	335	331	332	319	1.13	1.59	1.65	2.51	2.48	2.45	2.41	2.13
Rhode Island	.44	.81	1.35	1.62	1.68	1.69	1.74	1.73	98	178	298	357	369	372	382	379	.70	.99	1.09	1.36	1.40	1.36	1.38	1.26
Connecticut	.46	1.08	1.63	1.87	1.85	1.88	1.84	1.85	96	223	337	388	383	388	382	383	.70	1.08	1.07	1.38	1.33	1.30	1.26	1.18
New England	.36	.74	1.03	1.17	1.16	1.16	1.15	1.14	96	198	277	314	311	311	309	305	.97	1.38	1.56	2.11	2.08	2.04	1.97	1.80
New York	.33	.87	1.04	1.11	1.09	1.09	1.06	1.03	93	211	252	269	264	265	258	250	.70	1.33	1.53	2.01	1.97	1.94	1.69	1.59
New Jersey	3/	1.50	2.74	2.31	2.21	2.20	2.17	2.15	3/	208	381	321	308	305	302	299	3/	1.29	1.70	1.90	1.76	1.65	1.53	1.46
Pennsylvania	.47	.82	1.30	.97	.99	1.00	1.00	.99	96	168	267	199	202	206	205	202	.83	1.14	1.77	1.64	1.66	1.60	1.47	1.35
Middle Atlantic	.44	.89	1.24	1.12	1.11	1.11	1.10	1.07	94	191	268	241	240	241	237	232	.77	1.25	1.65	1.85	1.82	1.75	1.58	1.46
Ohio	.45	1.07	1.36	.68	.68	.69	.69	.70	97	229	292	146	147	148	148	151	.64	1.11	1.90	1.03	.99	.91	.83	.74
Indiana	.48	1.26	1.47	.76	.75	.77	.68	.70	92	241	282	146	144	148	130	135	.62	1.08	2.29	1.20	1.15	1.03	.82	.73
Illinois	.35	.99	1.10	.95	.97	.97	.97	.97	98	249	291	239	244	244	243	244	.31	.55	1.21	1.16	1.17	1.03	.98	.85
Michigan	.37	1.23	1.34	.45	.46	.46	.46	.47	86	284	310	105	107	107	105	110	.76	1.62	2.09	.89	.89	.79	.72	.63
Wisconsin	.29	1.04	1.05	.78	.78	.81	.78	.78	84	306	309	229	229	237	229	229	.50	1.04	1.50	1.50	1.54	1.49	1.36	1.22
East North Central	.39	1.10	1.26	.75	.76	.77	.74	.76	90	257	293	175	177	179	173	176	.50	.91	1.67	1.16	1.16	1.05	.93	.84
Minnesota	.20	.76	.87	.68	.66	.67	.67	.67	88	329	375	291	283	286	289	287	.42	.70	1.45	1.54	1.48	1.43	1.30	1.18
Iowa	.33	1.10	1.24	1.04	.99	1.00	.96	.99	83	272	308	259	245	247	237	246	.33	.52	1.15	1.32	1.25	1.18	1.03	.92
Missouri	.13	.28	.45	.32	.32	.32	.32	.32	97	207	328	237	230	231	232	232	.25	.34	.98	1.00	.98	.90	.81	.72
North Dakota	.13	.44	.38	.22	.22	.20	.17	.20	93	309	265	159	156	139	122	138	.44	1.11	1.72	1.78	1.70	1.46	1.18	1.15
South Dakota	.12	.45	.44	.23	.22	.21	.20	.19	91	352	349	181	172	166	155	153	.30	.66	1.42	1.80	1.74	1.60	1.35	1.06
Nebraska	.15	.42	.44	.31	.30	.30	.29	.30	92	261	277	197	189	190	184	187	.31	.52	.85	1.29	1.34	1.25	1.10	.94
Kansas	.17	.42	.55	.39	.36	.39	.36	.33	91	224	292	208	193	208	194	176	.41	.68	1.24	1.32	1.21	1.26	1.03	.82
West North Central	.18	.54	.61	.44	.42	.42	.41	.41	89	269	304	220	210	212	204	205	.35	.60	1.20	1.37	1.31	1.24	1.09	.95
Delaware	.24	.68	.50	.29	.31	.32	.33	.33	95	275	201	118	126	130	134	133	.46	1.04	.69	.47	.48	.48	.44	.43
Maryland	.40	.72	.93	.78	.80	.80	.77	.76	107	191	245	206	211	212	205	202	.82	.99	1.19	1.20	1.17	1.10	.95	.85
Virginia	.10	.23	.34	.26	.26	.27	.27	.26	88	210	305	235	240	243	242	239	.36	.43	.77	.63	.62	.63	.56	.49
West Virginia	.11	.31	.46	.17	.16	.16	.16	.16	97	271	395	143	139	138	138	137	.41	.77	1.29	.56	.51	.50	.46	.43
North Carolina	.06	.34	.59	.36	.37	.37	.38	.38	82	424	748	455	463	473	475	482	.28	.71	1.48	.92	.96	.87	.84	.70
South Carolina	.13	.35	.40	.29	.30	.29	.28	.25	100	272	310	222	230	226	220	193	.51	.66	1.27	.96	.93	.84	.74	.54
Georgia	.10	.28	.30	.14	.14	.15	.15	.15	94	254	272	128	129	135	136	139	.55	.79	1.28	.69	.65	.66	.59	.51
Florida	.09	.46	.70	.47	.51	.48	.49	.49	84	424	652	435	476	448	453	457	.38	.86	.88	1.21	1.31	1.17	1.12	1.05
South Atlantic	.11	.33	.45	.28	.29	.30	.29	.29	94	274	375	236	244	245	244	241	.44	.70	1.14	.82	.83	.81	.72	.62
Kentucky	.15	.38	.43	.32	.32	.32	.35	.35	98	252	284	213	212	215	230	234	.51	.73	1.09	.84	.83	.74	.70	.63
Tennessee	.14	.40	.47	.38	.38	.40	.40	.40	97	285	339	276	277	288	288	289	.56	.89	1.24	1.06	1.01	.97	.86	.75
Alabama	.08	.19	.25	.20	.20	.21	.21	.21	93	212	286	229	230	235	237	240	.56	.82	.98	.94	.91	.92	.86	.75
Mississippi	.13	.50	.64	.39	.42	.42	.42	.41	93	361	469	287	307	305	304	298	.70	1.69	2.19	1.57	1.61	1.46	1.34	1.20
East South Central	.12	.36	.45	.32	.33	.34	.34	.34	95	261	347	252	257	261	266	266	.55	.95	1.35	1.06	1.06	1.00	.90	.79
Arkansas	.13	.33	.32	.29	.29	.29	.30	.31	91	227	217	196	196	201	205	214	.72	.91	1.12	1.14	1.09	.98	.92	.88
Louisiana	.14	.55	.57	.33	.32	.35	.34	.33	92	366	384	218	211	231	226	221	.59	1.41	1.42	.93	.90	.93	.80	.73
Oklahoma	.14	.38	.47	.24	.24	.24	.23	.23	74	204	248	129	127	128	124	120	.54	.92	1.41	1.00	.98	.93	.81	.75
Texas	.05	.16	.23	.14	.14	.13	.14	.13	83	274	409	247	237	235	248	232	.29	.55	.90	.74	.75	.65	.67	.56
West South Central	.08	.24	.30	.15	.16	.18	.16	.17	82	252	319	191	186	188	192	184	.42	.74	1.07	.85	.85	.79	.74	.63
Montana	.06	.14	.14	.11	.11	.10	.09	.09	91	223	217	169	167	159	142	142	.32	.75	1.22	1.46	1.42	1.19	.95	.83
Idaho	.17	.63	.64	.46	.45	.44	.38	.41	72	267	273	197	192	187	162	176	.37	.98	1.45	1.40	1.36	1.23	.93	.86
Wyoming	.03	.09	.09	.06	.06	.06	.05	.06	104	277	275	176	172	173	161	168	.26	.55	1.04	1.06	1.01	.92	.68	.70
Colorado	.10	.27	.26	.19	.19	.19	.18	.18	95	245	256	175	173	172	162	160	.34	.81	1.32	1.54	1.50	1.37	1.15	.96
New Mexico	.02	.05	.07	.05	.04	.04	.05	.04	71	242	333	211	202	207	215	200	.21	.64	1.04	1.04	.80	.74	.87	.60
Arizona	.06	.18	.20	.08	.07	.07	4/ .06	.06	89	293	315	135	115	113	4/100	91	.16	.71	1.21	1.34	1.15	1.09	4/ .87	.75
Utah	.13	.47	.52	.31	.31	.30	.28	.28	89	311	346	208	203	202	187	184	.38	1.19	1.36	1.47	1.46	1.36	1.18	1.05
Nevada	.05	.21	.15	.16	.15	.15	.16	.15	89	340	238	248	238	245	247	234	.38	.84	.96	1.27	1.18	1.13	1.14	.96
Mountain	.07	.20	.19	.13	.12	.12	.11	.11	88	244	237	157	152	149	4/137	137	.32	.84	1.28	1.40	1.26	1.17	.97	.83
Washington	.25	.67	.71	.32	.32	.30	.30	.32	90	240	252	113	115	107	107	114	.50	1.01	1.28	.82	.82	.71	.64	.57
Oregon	.13	.37	.40	.33	.33	.25	.27	.22	92	251	275	228	228	169	185	148	.33	.73	1.07	1.24	1.23	.87	.86	.60
California	.32	.93	1.14	.82	.83	.83	.80	.77	90	262	21	232	233	234	226	217	.57	.86	1.04	1.16	1.16	1.10	.97	.78
Pacific	.26	.73	.84	.57	.57	.54	.53	.51	90	253	90	195	196	186	184	175	.51	.87	1.08	1.12	1.11	.99	.89	.72
UNITED STATES	.19	.51	.57	.39	.38	.38	.37	.37	91	244	277	186	183	183	179	178	.47	.79	1.30	1.23	1.18	1.10	.98	.86

1/ Index numbers computed before rounding tax-per-acre data to nearest cent.
2/ Derived from the tax-per-acre figures and value-per-acre figures based on Census reports and the farm real estate value indexes of the Bureau of Agricultural Economics.
3/ Not available.
4/ Revised.

Table 21.- Farmers' mutual fire insurance, United States, 1914-42 1/

Year	Companies 2/	Amount of insurance in force at end of year	Cost per $100 of insurance			Surplus and reserves at end of year 3/
			Losses	Expenses	Total	
	Number	1,000 dollars	Cents	Cents	Cents	1,000 dollars
1914	1,947	5,264,119	20.4	6.0	26.4	-
1915	1,879	5,366,760	17.5	6.0	23.5	-
1916	1,883	5,635,968	19.6	5.9	25.5	-
1917	1,829	5,876,853	18.2	6.4	24.6	-
1918	1,866	6,391,522	18.8	6.3	25.1	-
1919	1,922	6,937,523	17.3	7.8	25.1	-
1920	1,944	7,865,988	17.4	8.4	25.8	-
1921	1,951	8,409,683	19.4	7.8	27.2	-
1922	1,918	8,769,948	20.9	5.8	26.7	-
1923	1,907	9,057,938	19.8	6.6	26.4	-
1924	1,929	9,487,029	20.4	6.5	26.9	-
1925	1,839	9,477,139	21.1	6.7	27.8	-
1926	1,911	9,988,580	19.4	6.9	26.3	-
1927	1,889	10,345,463	19.0	6.3	25.3	-
1928	1,884	10,781,212	20.5	6.6	27.1	-
1929	1,876	11,118,510	21.8	6.6	28.4	-
1930	1,886	11,382,104	24.8	6.8	31.6	-
1931	1,863	11,292,339	24.1	6.9	31.0	-
1932	1,847	10,974,082	24.9	7.1	32.0	-
1933	1,826	10,466,384	21.2	7.3	28.5	-
1934	1,852	10,571,508	19.7	7.2	26.9	-
1935	1,941	11,083,300	15.7	7.5	23.2	33,656
1936	1,936	11,339,510	20.7	7.4	28.0	35,083
1937	1,924	11,569,476	16.5	7.6	24.1	37,479
1938	1,914	11,868,569	18.0	8.0	26.0	40,105
1939	1,904	12,143,881	18.4	8.2	26.6	41,819
1940	1,898	12,294,287	17.1	8.1	25.2	45,474
1941	1,885	12,518,913	16.2	8.4	24.6	50,119
1942	1,877	12,982,390	14.6	8.1	22.7	55,797

1/ Data for 1914-33 include companies with more than 65 percent of their insurance on farm property. Data for later years include companies with more than 50 percent of their insurance on farm property.

2/ Number of companies for which data could be obtained. Variations from year to year may not represent real variations in the number of companies operating.

3/ Excess of assets over liabilities. Farm mutuals, as assessment companies, not required to set up unearned premium reserves. Data not compiled prior to 1935.

Data for 1914-33 and 1942 from Bureau of Agricultural Economics, 1934-41 from Farm Credit Administration. All data compiled from published State reports, supplemented by information from State insurance officials, officers of farmers' mutuals, and others.

Table 22 - Farmers' mutual fire insurance, by States, 1942

State and division	Companies	Amount of insurance in force at end of year	Cost per $100 of insurance			Surplus and reserves at end of year 1/
			Losses	Expenses	Total	
	Number	1,000 dollars	Cents	Cents	Cents	1,000 dollars
Maine	38	79,286	39.9	19.8	59.7	157
New Hampshire	14	30,073	23.4	25.8	49.2	203
Vermont	4	83,064	37.6	8.3	45.9	131
Massachusetts 2/	0	0	0	0	0	0
Rhode Island	2	5,200	18.2	11.6	29.9	140
Connecticut	5	83,471	12.9	29.3	42.2	2,802
New England	63	281,094	29.0	19.7	48.7	3,433
New York	129	637,324	20.1	8.2	28.3	2,233
New Jersey	11	152,017	21.0	17.5	38.5	1,471
Pennsylvania	165	1,342,124	12.6	10.8	23.4	6,589
Middle Atlantic	305	2,131,465	15.4	10.5	26.0	10,233
Ohio	98	1,027,804	14.5	4.1	18.7	1,966
Indiana	69	534,294	16.5	7.1	23.6	2,388
Illinois	207	828,075	12.3	4.8	17.1	1,849
Michigan	60	814,341	20.0	10.9	30.8	2,304
Wisconsin	193	1,309,090	12.4	3.9	16.3	2,563
East North Central	627	4,513,604	14.7	5.3	20.0	11,071
Minnesota	156	1,084,244	10.5	4.5	15.0	2,596
Iowa	150	1,367,862	11.9	4.7	16.6	4,049
Missouri	145	359,009	19.4	7.9	27.3	1,250
North Dakota	33	123,957	11.1	7.2	18.3	637
South Dakota	42	295,379	10.2	7.0	17.2	1,040
Nebraska	45	530,309	8.9	5.1	14.0	2,585
Kansas	17	774,528	15.6	16.1	31.7	3,682
West North Central	588	4,535,289	12.3	6.9	19.2	15,840
Delaware	4	20,878	15.4	16.5	31.8	907
Maryland	15	352,949	17.0	18.5	35.5	3,494
Virginia	39	166,086	15.3	12.5	27.9	1,722
West Virginia	14	73,625	11.5	11.1	22.6	685
North Carolina	28	56,064	13.0	8.5	21.5	614
South Carolina	9	10,068	35.2	26.8	62.0	231
Georgia	19	24,874	29.3	13.9	43.2	387
Florida 2/	0	0	0	0	0	0
South Atlantic	128	704,544	16.3	15.4	31.7	7,040
Kentucky	17	77,521	27.4	15.0	42.4	1,189
Tennessee	27	45,985	23.1	16.4	39.6	190
Alabama	2	1,881	13.2	12.6	25.8	42
Mississippi 2/	0	0	0	0	0	0
East South Central	46	125,387	25.6	15.5	41.1	1,422
Arkansas	15	25,879	29.9	25.0	54.9	146
Louisiana 2/	0	0	0	0	0	0
Oklahoma	6	43,472	35.4	13.8	49.2	456
Texas	37	117,113	31.5	9.7	41.2	808
West South Central	58	186,463	32.2	12.7	44.9	1,411
Montana	12	22,474	12.1	7.6	19.8	137
Idaho	10	62,612	13.0	8.9	21.9	242
Wyoming	3	3,003	11.6	18.5	30.0	21
Colorado	5	50,631	11.7	10.0	21.7	244
New Mexico 2/	0	0	0	0	0	0
Arizona 2/	0	0	0	0	0	0
Utah	1	17,211	15.6	7.0	22.5	290
Nevada 2/	0	0	0	0	0	0
Mountain	31	155,932	12.7	9.0	21.8	934
Washington	5	88,480	18.0	11.2	29.2	910
Oregon	5	37,366	13.1	12.2	25.3	397
California	21	222,766	9.3	15.9	25.2	2,508
Pacific	31	348,612	11.8	14.4	26.1	3,815
UNITED STATES	1,877	12,982,390	14.6	8.1	22.7	55,797

1/ Excess of assets over liabilities. Farm Mutuals, as assessment companies, not required to set up unearned premium reserves.
2/ No mutual fire insurance companies with more than 50 percent of their insurance on farm property.

Compiled from published State reports, supplemented by data supplied by State insurance officials, officers of farmers' mutuals, and others.

Table 23.- Wheat crop insurance, by States, crop of 1943; United States crops of 1939-43

Wheat area and State 1/	Interests insured 2/	Acreage insured 3/	Amount of premiums 4/	Production insured 5/	Indemnities paid	
					Number	Amount
	Number	Acres	Bushels	Bushels	Number	Bushels
Soft red winter:						
New York . . .	2,144	23,800	18,072	382,000	1,044	87,662
New Jersey . .	258	2,800	1,411	45,000	13	949
Pennsylvania .	8,572	94,500	58,665	1,378,000	2,354	128,202
Ohio	40,209	395,600	363,736	5,373,000	19,014	1,284,555
Indiana . . .	32,640	369,100	351,789	4,585,000	13,109	914,112
Illinois . . .	39,554	642,900	520,975	6,847,000	18,397	1,915,232
Michigan . . .	29,290	239,100	191,976	3,402,000	10,744	580,937
Missouri . . .	30,312	456,600	533,222	4,581,000	16,955	2,047,977
Delaware . . .	342	6,000	2,421	69,000	64	6,084
Maryland . . .	2,193	44,400	23,559	570,000	739	63,686
Virginia . . .	1,658	24,900	11,088	299,000	833	60,016
West Virginia	767	10,600	4,250	123,000	423	20,290
North Carolina	3,420	31,200	9,418	284,000	960	44,256
Kentucky . . .	1,563	24,100	15,441	234,000	436	35,030
Tennessee . .	1,166	11,100	5,217	92,000	150	4,534
Arkansas . . .	36	600	235	6,000	26	1,724
Total	194,124	2,377,300	2,111,475	28,270,000	85,261	7,195,246
Hard red winter:						
Iowa	4,499	65,000	104,639	799,000	1,566	198,819
Nebraska . . .	40,499	809,100	1,282,914	7,749,000	9,343	836,776
Kansas	34,957	1,076,700	1,038,630	9,267,000	15,394	1,734,693
Oklahoma . . .	17,783	623,600	593,643	5,111,000	9,786	1,543,667
Texas	11,129	542,100	519,592	3,426,000	3,679	453,941
Wyoming . . .	606	36,900	54,546	211,000	94	18,218
Colorado . . .	3,297	105,500	164,578	734,000	439	59,063
New Mexico . .	325	35,500	10,448	105,000	160	13,242
Utah	3,176	55,000	63,396	569,000	366	69,764
Total	116,271	3,349,400	3,832,386	27,971,000	40,827	4,928,183
Hard red spring and durum:						
Wisconsin . .	1,306	6,700	11,717	82,000	252	11,384
Minnesota . .	13,547	246,200	230,695	2,242,000	3,160	215,330
North Dakota .	12,297	686,000	459,860	3,553,000	525	87,588
South Dakota .	4,373	123,500	228,154	628,000	1,287	153,082
Montana . . .	2,599	215,300	326,469	1,390,000	214	67,341
Total . . .	34,122	1,277,700	1,256,895	7,895,000	5,438	534,725
White:						
Idaho	4,782	157,400	184,350	2,164,000	443	117,588
Arizona . . .	140	5,400	3,631	87,000	65	12,093
Nevada	83	1,300	2,108	23,000	24	1,953
Washington . .	3,538	551,100	260,339	4,687,000	290	67,695
Oregon	2,912	226,100	181,717	2,450,000	225	43,967
California . .	1,761	203,100	202,223	1,717,000	503	308,505
Total	13,216	1,144,400	834,368	11,128,000	1,550	551,801
United States:						
1943	357,733	8,148,800	8,035,124	75,264,000	133,076	13,209,955
1942	400,043	9,631,265	8,769,715	88,063,150	108,368	10,574,927
1941	371,390	11,734,263	12,643,051	104,306,380	130,774	18,857,243
1940	360,596	12,754,834	13,796,798	108,284,574	112,762	22,898,147
1939	165,775	7,010,390	6,670,315	60,826,075	55,932	10,163,899
Total, 1939-43	-	-	49,915,003	436,744,179	-	75,704,171

1/ Based upon principal classes of wheat grown.
2/ Not comparable between years. In general, each interest on each farm was reported separately, but in 1942-43 only one interest was reported where one person operated more than one farm.
3/ Wheat acreage covered by contracts; includes some duplication of acreage, as separate contracts are written for landlord and tenant interests on the same acreage. 1943 acreage estimated.
4/ Premiums and indemnities are determined in bushels of wheat, although transactions are usually made in the cash equivalent.
5/ 1943 production insured is estimated.

Federal Crop Insurance Corporation.

Table 24.- Cotton crop insurance, by States, crop of 1943; United States crops of 1942-43

Cotton type and State	Interests insured	Acreage insured 1/	Amount of premiums 2/	Production insured 3/	Indemnities paid: Number	Indemnities paid: Amount 2/
	Number	Acres	Pounds	Pounds	Number	Pounds
American upland:						
Alabama	13,773	137,985	1,300,860	22,255,000	2,749	1,238,927
Arizona	541	27,426	336,835	8,378,000	87	547,924
Arkansas	9,033	128,309	1,310,071	18,849,000	3,594	6,909,892
California . . .	850	25,230	947,483	8,490,000	125	2,445,010
Florida	521	2,648	24,680	301,000	102	30,445
Georgia	17,618	212,152	2,800,373	37,128,000	5,130	4,587,162
Illinois	167	1,250	20,904	183,000	121	284,774
Kentucky	539	1,980	22,397	400,000	153	200,460
Louisiana	10,493	137,324	1,793,361	26,364,000	893	730,967
Mississippi . . .	2,849	33,348	483,206	6,020,000	211	223,307
Missouri	6,683	80,264	384,101	15,142,000	1,843	2,933,302
New Mexico . . .	1,629	39,110	742,488	11,820,000	394	1,721,049
North Carolina .	10,507	62,202	371,707	11,104,000	877	282,916
Oklahoma	8,095	106,886	1,576,413	10,289,000	3,977	3,985,841
South Carolina .	20,279	245,863	3,408,821	51,256,000	4,078	3,155,954
Tennessee	5,997	44,955	319,569	8,237,000	1,049	3,029,616
Texas	53,260	1,334,571	14,393,057	139,429,000	14,499	22,546,435
Virginia	554	2,048	14,747	370,000	38	6,236
Total	163,388	2,623,551	30,251,073	376,015,000	39,920	54,860,217
American-Egyptian:						
Arizona	678	48,070	371,839	8,292,782	286	1,451,946
New Mexico . . .	485	6,889	50,082	1,251,922	119	87,780
Texas	447	11,769	71,376	1,130,608	307	401,036
Total	1,610	66,728	493,297	10,675,312	712	1,940,762
United States:						
1943	154,998	2,690,279	30,744,370	386,690,312	40,632	56,800,979
1942	169,072	2,816,462	31,435,750	407,611,601	47,744	52,536,269
Total	-	-	62,180,120	794,301,913	-	109,337,248

1/ Cotton acreage covered by contracts; includes some duplication of acreage, as separate contracts are written for landlord and tenant interests on the same acreage. 1943 acreage estimated.

2/ Premiums and indemnities as shown include an increase in poundage of lint cotton amounting to 20 percent in the case of American Upland cotton, and 15 percent in the case of American-Egyptian cotton, to cover the loss of seed. Transactions are usually made in the cash equivalent.

3/ Although the Corporation was also liable for the loss of seed in case of claim, "production insured" includes only the insurance on the lint cotton and excludes the lint cotton equivalent of the seed. 1943 insured production is estimated.

Federal Crop Insurance Corporation.

Table 25.- Farm real estate: Index numbers of estimated value per acre, by States, 1912, 1915, 1920, 1925, 1930, 1933, 1935, 1940-44 1/
(1912-14 = 100)

State and division	1912	1915	1920	1925	1930	1933	1935	1940	1941	1942	1943	1944
Maine	100	96	142	124	124	94	94	95	95	97	99	112
New Hampshire	97	101	129	111	111	92	90	94	95	97	100	107
Vermont	101	104	150	125	123	101	101	101	101	102	110	119
Massachusetts	98	98	140	132	131	112	111	113	113	114	115	125
Rhode Island	100	102	130	128	134	118	118	120	121	126	127	139
Connecticut	98	100	137	137	140	124	123	124	128	133	134	144
New England	99	99	140	127	127	105	104	106	107	109	112	122
New York	98	100	133	111	103	82	84	86	86	87	97	101
New Jersey	98	100	130	124	125	110	111	116	121	128	136	141
Pennsylvania	98	100	140	114	107	78	82	90	90	95	104	111
Middle Atlantic	98	100	136	114	106	82	85	90	91	94	103	109
Ohio	98	107	159	110	90	59	66	77	80	89	97	111
Indiana	97	102	161	102	80	53	61	74	77	88	98	112
Illinois	97	102	160	115	91	54	61	75	76	86	91	105
Michigan	98	105	154	133	121	80	83	91	93	105	115	134
Wisconsin	97	104	171	130	117	80	82	84	82	88	92	102
East North Central	97	104	161	116	96	62	68	78	80	89	96	110
Minnesota	95	107	213	159	133	79	83	86	86	90	100	110
Iowa	96	112	213	136	113	58	67	74	75	80	87	101
Missouri	97	102	167	112	92	55	58	59	60	66	74	82
North Dakota	97	103	145	109	95	66	67	52	52	55	58	70
South Dakota	96	101	181	115	93	55	54	41	40	42	47	57
Nebraska	98	101	179	123	113	69	72	53	55	59	64	77
Kansas	101	103	151	115	113	70	73	71	71	74	84	96
West North Central	97	105	184	126	109	64	68	65	65	69	76	88
Delaware	100	100	139	112	111	80	82	89	93	96	108	111
Maryland	97	104	166	131	123	90	91	100	105	111	124	136
Virginia	97	97	189	154	134	88	97	112	115	118	131	146
West Virginia	97	101	154	120	105	74	78	85	89	90	99	105
North Carolina	97	102	223	187	158	86	111	138	136	150	161	193
South Carolina	101	94	230	138	104	57	76	89	95	103	112	136
Georgia	98	94	217	116	100	57	72	82	87	93	103	120
Florida	96	97	178	172	172	121	126	133	134	140	150	161
South Atlantic	98	98	198	148	128	80	93	107	110	117	127	145
Kentucky	97	100	200	140	127	80	87	113	114	129	147	165
Tennessee	96	100	200	137	123	79	91	108	113	123	139	160
Alabama	98	98	177	154	143	88	110	122	125	129	139	160
Mississippi	97	97	218	136	122	73	90	106	111	122	133	145
East South Central	97	99	199	141	128	79	93	112	115	126	141	159
Arkansas	98	95	222	160	141	80	88	95	100	111	123	141
Louisiana	99	95	198	141	132	89	103	121	121	129	145	154
Oklahoma	98	95	166	131	127	76	86	93	96	101	111	120
Texas	95	103	174	146	138	83	91	99	98	105	109	124
West South Central	96	100	177	144	136	82	91	99	99	105	112	125
Montana	97	100	126	75	72	48	50	55	57	62	69	80
Idaho	100	96	172	123	116	76	80	86	87	94	106	124
Wyoming	97	103	176	100	98	62	62	68	71	78	88	102
Colorado	98	93	141	92	83	54	53	61	63	69	78	93
New Mexico	100	100	144	108	110	75	76	84	87	95	101	117
Arizona	95	97	165	121	123	90	91	95	96	102	110	127
Utah	100	98	167	130	126	83	84	89	89	93	100	112
Nevada	96	102	135	102	99	65	65	70	71	73	78	87
Mountain	98	98	151	105	102	69	70	76	78	84	92	107
Washington	98	100	140	113	110	74	76	84	84	91	101	120
Oregon	97	99	130	110	107	72	74	84	85	91	99	117
California	93	111	167	164	160	109	115	121	122	128	141	168
Pacific	94	107	156	146	142	96	101	108	109	115	126	150
UNITED STATES	97	103	170	127	115	73	79	84	85	91	99	114

1/ All farm lands including improvements, as of March 1.

Table 26.- Farm real estate: Land transfers and values, United States, 1926-44

Year	Estimated number of farms changing ownership per 1,000 farms 1/				Index of estimated value per acre 3/ (1912-14 = 100)
	Voluntary sales and trades	Forced sales and related defaults	Others 2/	Total	
	Number	Number	Number	Number	Percent
1926	29.6	21.6	10.2	61.4	124
1927	28.3	23.3	16.9	68.5	119
1928	26.3	22.8	16.9	66.0	117
1929	23.5	19.5	15.0	58.0	116
1930	23.7	20.8	17.0	61.5	115
1931	19.0	26.1	16.8	61.9	106
1932	16.2	41.7	18.8	76.7	89
1933	16.8	54.1	22.7	93.6	73
1934	17.8	39.1	21.7	78.6	76
1935	19.4	28.3	21.4	69.1	79
1936	24.8	26.2	21.9	72.9	82
1937	31.5	22.4	20.1	74.0	85
1938	30.5	17.4	17.5	65.4	85
1939	29.7	17.0	17.1	63.8	84
1940	30.2	15.9	16.9	63.0	84
1941	34.1	13.9	15.7	63.7	85
1942	41.7	9.3	15.1	66.1	91
1943	4/ 44.7	6.6	14.6	4/ 65.9	99
1944	53.1	4.9	15.3	73.3	114

1/ Year ending March 15.
2/ Largely inheritance, gift, and sales in settlement of estates; also includes a small number of miscellaneous and unclassified transfers.
3/ As of March 1.
4/ Revised.

Table 27.- Real estate, sheriffs' certificates, judgments, etc., acquired and held by the Federal land banks and the Federal Farm Mortgage Corporation, 1925-43 1/

Year	Acquired during year 2/				Held as of December 31			
	Federal land banks		Federal Farm Mortgage Corporation		Federal land banks		Federal Farm Mortgage Corporation	
	Number	Investment	Number	Investment 3/	Number	Investment	Number	Investment 3/
	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars	Number	1,000 dollars
1925	2,250	8,232			2,758	11,048		
1926	2,285	9,621			4,023	16,596		
1927	2,090	9,190			5,174	21,892		
1928	2,652	14,598			6,010	26,478		
1929	3,109	13,340			6,641	29,517		
1930	4,318	17,177			8,516	36,865		
1931	7,036	27,320			12,609	53,588		
1932	10,102	43,045			18,449	83,158		
1933	6,488	26,941			21,895	96,632		
1934	4,766	16,067	2	5	22,918	96,655	2	11
1935	11,459	43,219	252	486	27,465	119,409	236	455
1936	12,510	49,730	2,624	5,809	28,954	128,893	2,379	5,861
1937	8,586	32,676	4,396	10,469	25,776	117,932	5,107	14,106
1938	7,186	29,233	6,576	17,267	23,974	115,345	8,245	23,884
1939	10,236	44,654	7,679	22,177	25,774	125,800	9,625	29,437
1940	5,242	23,029	3,790	12,626	21,337	109,066	7,503	25,113
1941	4,129	17,592	3,201	10,191	14,578	73,600	5,204	18,217
1942	3,067	12,968	3,245	10,994	8,322	40,435	4,056	14,322
1943	1,294	6,036	1,946	7,249	3,625	16,779	2,423	9,067

1/ Excluding Puerto Rico except for acquisitions by the Federal land banks during years 1931-34.
2/ Excluding reacquirements.
3/ Excluding prior liens.

Farm Credit Administration.

Table 28.- Federal land bank and Land Bank Commissioner loans: Number delinquent as a percentage of number outstanding, by States, as of January 1, for selected years, 1930-44 1/

State and division	Federal land banks					Land Bank Commissioner			
	1930	1934	1942	1943	1944	1934	1942	1943	1944
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Maine	4.6	47.6	40.2	28.0	15.9	0.0	49.3	37.4	21.2
New Hampshire	.6	14.8	5.8	6.8	4.9	.0	17.2	14.4	10.3
Vermont	7.5	32.6	10.2	7.8	6.4	.0	15.9	12.4	9.6
Massachusetts	1.6	14.4	5.6	5.1	4.1	1.0	15.4	12.2	10.2
Rhode Island	.0	10.8	6.5	4.8	6.3	3.6	15.0	11.7	10.6
Connecticut	1.5	19.2	4.8	4.9	5.2	.7	10.1	8.2	7.3
New England	3.6	29.1	14.5	10.8	7.4	.5	22.5	17.1	11.8
New York	4.6	27.2	10.5	7.1	5.5	.8	17.0	10.8	7.9
New Jersey	3.6	26.9	7.7	6.2	4.5	.8	15.2	11.4	7.5
Pennsylvania	6.1	32.0	12.8	11.2	10.0	.0	10.7	7.3	6.2
Middle Atlantic	5.1	29.0	10.9	8.4	6.8	.3	14.7	9.9	7.3
Ohio	.9	29.6	4.3	3.6	3.9	4.5	5.7	4.8	4.7
Indiana	1.5	35.5	3.4	2.8	2.3	2.2	3.9	3.1	2.5
Illinois	2.9	46.1	5.1	3.8	2.8	.1	6.9	4.9	3.4
Michigan	7.4	50.6	10.0	6.3	5.1	.0	12.2	8.1	6.4
Wisconsin	7.8	51.5	18.3	13.2	7.9	.1	22.9	18.2	11.9
East North Central	3.9	42.1	8.2	6.0	4.4	.9	11.4	8.7	6.4
Minnesota	6.5	42.8	13.1	7.6	5.1	.2	17.3	10.5	7.9
Iowa	1.2	36.0	8.2	5.7	3.6	.1	10.0	6.9	5.1
Missouri	12.6	45.9	9.1	7.0	6.1	.1	7.3	5.6	4.6
North Dakota	9.3	67.4	58.8	46.6	28.0	.0	59.4	51.8	35.8
South Dakota	3.9	65.9	26.6	18.4	11.6	.0	31.3	23.2	15.3
Nebraska	2.4	36.8	34.7	26.9	16.5	.1	38.6	31.4	22.3
Kansas	3.8	39.8	23.0	12.9	8.1	.0	27.5	15.7	9.1
West North Central	4.2	46.0	22.9	16.1	10.0	.1	25.4	19.1	13.1
Delaware	3.6	36.4	7.0	.7	3.3	.0	10.9	.9	2.6
Maryland	4.2	30.1	10.4	7.9	5.6	.0	12.8	9.7	6.5
Virginia	5.1	44.4	13.5	9.3	8.6	.0	12.6	8.3	8.0
West Virginia	4.8	42.3	8.5	6.8	5.6	.0	9.1	7.6	6.9
North Carolina	8.3	56.6	15.2	11.2	10.8	2.4	12.9	9.0	9.7
South Carolina	20.6	57.1	31.5	18.8	17.3	5.2	34.1	19.0	18.0
Georgia	10.2	61.5	24.1	14.4	11.0	1.9	22.4	13.2	10.8
Florida	6.4	52.9	17.1	11.6	6.4	.3	12.2	8.4	5.7
South Atlantic	8.9	52.3	18.4	12.1	10.2	1.9	19.1	11.8	10.7
Kentucky	2.0	43.9	5.9	5.2	4.1	11.7	7.0	6.5	4.7
Tennessee	1.6	40.3	4.4	5.2	5.0	5.1	4.7	4.9	4.9
Alabama	12.7	60.8	19.0	11.5	10.4	.0	21.9	11.7	9.6
Mississippi	11.9	73.8	25.4	12.3	10.4	.0	29.7	12.4	10.1
East South Central	9.1	58.9	15.0	9.2	8.1	3.9	16.5	9.1	7.6
Arkansas	3.3	67.2	5.9	4.2	4.2	.0	4.3	3.5	4.2
Louisiana	11.5	69.0	24.9	16.4	13.2	.0	27.8	16.6	12.0
Oklahoma	6.9	39.5	11.6	9.3	7.7	.0	13.8	10.6	9.4
Texas	.7	42.2	15.5	10.9	5.0	.0	14.4	9.9	5.4
West South Central	3.2	49.0	14.9	10.6	6.1	.0	14.3	10.0	6.7
Montana	9.3	61.5	22.7	15.4	11.1	.0	19.0	12.7	9.4
Idaho	6.7	55.5	13.5	7.7	5.9	.0	17.3	10.6	8.1
Wyoming	3.0	43.4	16.8	16.0	10.3	1.3	19.9	20.3	14.1
Colorado	5.6	55.0	20.3	15.5	11.9	.0	21.3	16.1	11.9
New Mexico	5.2	36.1	10.1	6.8	6.4	.0	12.2	7.9	5.8
Arizona	1.9	61.5	17.9	14.3	8.6	.6	19.2	13.5	9.5
Utah	4.1	70.0	22.2	11.1	6.0	1.5	28.9	14.8	8.2
Nevada	2.0	56.1	12.5	9.5	10.1	.0	8.3	7.8	7.2
Mountain	5.9	55.5	17.7	12.0	8.7	.4	19.9	13.8	9.8
Washington	6.8	46.4	9.4	6.4	4.9	.4	11.5	8.4	5.7
Oregon	6.4	49.6	10.8	6.4	4.2	.0	12.1	7.5	5.5
California	1.4	40.0	10.3	6.8	4.1	.5	11.7	8.2	5.2
Pacific	5.1	44.9	10.1	6.6	4.4	.4	11.7	8.2	5.3
UNITED STATES	5.5	48.5	15.8	10.9	7.5	1.0	17.8	12.5	9.2

1/ Includes all loans with unpaid matured installments even though such installments may have been extended or deferred.

Farm Credit Administration.

Table 29.- Demand deposits of country banks, 1924-September 1944 1/
(1924-29 = 100)

Year and month	Twenty leading agricultural States 2/ Unadjusted	Twenty leading agricultural States 2/ Adjusted for seasonal variations	Five Corn belt States 3/	Eight cotton-growing States 4/	Eight Mountain States 5/	Three Lake States 6/	Four Great Plains States 7/	Texas-Oklahoma
1924	96.5		99.9	98.3	96.1	98.4	93.0	94.6
1925	102.2		102.3	105.2	96.6	102.1	103.0	102.6
1926	101.6		102.6	104.6	98.9	103.0	100.4	96.5
1927	99.0		99.1	100.2	98.4	98.1	96.2	99.2
1928	101.7		99.7	98.7	106.6	99.8	104.3	105.7
1929	98.9		96.3	93.0	103.6	98.5	103.2	101.4
1930	89.4		86.7	77.2	91.3	91.9	98.8	85.5
1931	75.3		73.2	59.6	76.2	81.3	85.0	69.2
1932	57.3		55.3	41.8	54.7	62.4	64.2	54.3
1933	48.6		43.6	41.4	46.7	44.8	57.0	52.3
1934	66.0		63.7	59.1	58.0	59.3	79.9	66.2
1935	8/		8/	8/	8/	8/	8/	8/
1936	93.9		92.8	91.7	98.1	93.9	107.1	88.3
1937	101.6		102.8	101.7	107.0	103.3	107.7	98.9
1938	98.7		102.2	98.4	103.1	101.4	98.6	100.4
1939	106.0		111.9	105.5	111.4	108.9	104.8	106.2
1940	116.2		125.5	111.5	121.2	120.4	113.2	115.6
1941	138.3		153.9	134.5	138.6	140.4	128.7	134.2
1942	183.6		207.3	185.8	179.0	179.3	176.0	169.4
1943:	283.1		315.8	282.9	291.3	267.7	292.4	267.5
Sept.	298.5	299.7	330.8	295.1	305.9	281.0	315.0	285.2
Oct.	315.9	310.0	351.3	309.6	333.5	294.9	331.1	298.6
Nov.	328.4	321.6	366.7	322.5	355.8	305.2	343.0	314.6
Dec.	328.7	324.2	369.6	326.4	361.8	299.6	343.9	316.8
1944:								
Jan.	330.0	324.2	372.0	330.8	355.8	299.7	346.5	315.2
Feb.	340.9	336.2	384.7	336.3	358.6	317.8	357.9	315.6
March	343.5	340.4	388.5	333.3	358.5	323.1	358.3	322.4
April	341.4	341.7	386.5	333.8	357.4	318.1	360.9	319.8
May	340.0	344.8	387.4	329.5	354.0	311.9	359.2	321.5
June	348.0	356.5	396.9	334.5	356.1	319.8	369.1	329.1
July	368.9	379.1	421.9	352.6	356.9	341.6	382.8	345.5
Aug.	377.3	387.0	427.9	360.4	361.7	348.5	394.6	355.6
Sept.	381.6	383.1	429.5	372.0	378.8	349.9	403.4	363.3

For footnotes see table 31.

Table 30.- Time deposits of country banks, 1924-September 1944 1/
(1924-29 = 100)

Year and month	Twenty leading agricultural States 2/	Five Corn Belt States 3/	Eight cotton-growing States 4/	Eight Mountain States 5/	Three Lake States 6/	Four Great Plains States 7/	Texas-Oklahoma
1924	91.7	94.2	89.9	94.0	95.8	97.8	87.5
1925	98.0	97.9	98.8	91.9	99.5	104.5	94.7
1926	99.4	99.9	102.1	93.0	100.4	102.1	91.7
1927	100.0	100.4	102.1	98.9	98.4	97.2	96.9
1928	105.4	104.2	105.0	108.8	102.6	100.6	109.8
1929	105.8	103.4	102.2	113.5	103.4	97.8	119.3
1930	101.0	97.2	93.3	108.5	100.1	95.9	113.9
1931	90.4	85.6	76.9	99.1	92.4	90.2	101.0
1932	73.8	66.5	61.5	79.4	76.4	73.2	89.6
1933	59.5	47.0	54.9	64.2	52.0	62.7	83.3
1934	64.7	53.1	62.7	66.9	55.8	65.4	90.5
1935	68.6	59.6	8/	8/	61.2	63.2	92.0
1936	73.9	66.2	72.5	74.8	69.3	64.5	101.3
1937	79.1	75.4	75.4	77.6	78.2	62.6	106.9
1938	81.6	80.7	76.5	78.2	80.2	58.8	114.9
1939	83.7	85.4	78.1	80.6	81.6	58.2	117.5
1940	87.6	92.4	80.1	85.3	85.4	59.6	118.2
1941	92.8	102.2	83.1	88.6	88.6	60.3	123.8
1942	93.8	108.1	83.3	89.6	91.2	60.1	114.4
1943:	99.9	122.2	85.4	100.9	107.0	63.3	100.3
Sept.	102.5	127.2	86.8	104.1	112.6	64.7	96.7
Oct.	103.0	128.4	87.4	104.6	113.4	64.0	95.8
Nov.	104.7	131.1	87.8	106.8	116.3	65.2	96.8
Dec.	106.4	133.3	90.4	109.1	117.9	66.0	98.1
1944:							
Jan.	109.0	137.8	91.5	111.0	120.4	67.4	96.8
Feb.	110.1	138.8	93.0	113.8	121.8	68.1	98.6
March	111.2	140.8	92.2	115.3	124.2	68.7	98.2
April	113.6	144.6	96.2	118.3	128.0	69.9	97.9
May	116.0	149.1	97.1	120.5	131.0	71.3	96.3
June	118.6	152.2	99.8	123.2	134.4	72.9	99.1
July	121.2	154.3	100.2	124.6	136.2	73.5	107.3
Aug.	122.7	158.4	102.0	126.6	141.3	75.4	98.8
Sept.	125.7	162.8	105.7	131.6	145.2	77.3	99.7

For footnotes see table 31.

Table 31.- Total deposits (demand plus time) of country banks, 1924-September 1944 1/
(1924-29 = 100)

Year and month	Twenty leading agricultural States 2/	Five Corn Belt States 3/	Eight cotton-growing States 4/	Eight Mountain States 5/	Three Lake States 6/	Four Great Plains States 7/	Texas-Oklahoma
1924	94.6	97.5	95.1	94.9	96.6	95.7	93.7
1925	100.4	100.4	102.9	94.6	100.1	103.8	101.4
1926	100.6	101.4	103.6	96.8	101.2	101.2	95.8
1927	99.5	99.7	100.8	98.6	98.3	96.6	98.9
1928	103.3	101.6	101.1	107.5	101.7	102.2	106.3
1929	101.5	99.5	96.5	107.7	101.9	100.9	103.9
1930	93.9	91.5	83.3	98.4	97.5	97.6	89.6
1931	81.4	78.9	65.9	85.3	88.9	87.2	74.0
1932	64.0	60.6	48.9	64.6	71.9	68.1	59.7
1933	52.6	45.1	45.6	53.8	49.7	59.4	57.1
1934	64.2	58.2	59.0	61.4	56.9	73.1	69.9
1935	8/	8/	8/	8/	8/	8/	8/
1936	83.2	79.6	81.4	87.6	77.3	88.4	89.9
1937	90.1	89.3	88.1	94.4	86.3	88.5	99.8
1938	89.6	91.6	86.8	92.4	87.1	81.8	102.1
1939	94.3	99.0	91.6	98.0	90.4	85.0	107.4
1940	101.8	109.4	95.9	105.5	96.8	90.2	115.6
1941	116.0	128.9	109.9	116.8	105.4	99.4	132.3
1942	141.7	159.8	138.8	140.8	119.8	126.6	161.4
1943	200.9	223.4	195.0	211.2	159.4	195.0	244.0
1943:							
September	211.0	233.6	202.3	221.2	167.5	208.8	258.8
October	220.7	246.8	210.6	236.8	172.6	217.1	270.2
November	228.6	254.2	218.3	250.9	178.0	224.1	284.3
December	230.1	256.9	221.3	255.4	177.2	225.4	286.5
1944:							
January	232.3	260.6	224.6	252.8	178.8	227.8	284.9
February	237.7	267.4	228.5	255.5	185.8	234.8	285.4
March	239.9	270.2	226.7	256.3	189.0	235.3	291.2
April	240.2	271.0	229.0	257.4	190.0	237.3	288.7
May	241.2	273.9	227.0	256.5	190.0	237.1	290.2
June	246.8	280.3	231.1	258.8	194.9	243.6	297.0
July	258.6	294.2	241.8	259.8	203.3	252.4	311.8
August	264.8	299.4	247.2	264.1	208.9	260.4	319.3
September	268.9	302.6	254.3	275.9	211.9	265.4	326.1

1/ Based upon data reported by member banks of the Federal Reserve System located in places of less than 15,000 population (1940 Census). Each deposit series is weighted, the deposits for each State having been given a weight equal to the proportion, in the base period, of that State's cash farm income to the total cash farm income of the group of States. See text on page 70. The demand deposit index is a revision of the previously published series.
2/ Ark., Ga., Ill., Ind., Iowa, Kans., Mich., Minn., Miss., Mo., Nebr., N.Y., N.C., N.Dak., Ohio, Okla., Pa., S.Dak., Texas, and Wis.
3/ Ohio, Ind., Ill., Mo., and Iowa.
4/ N.C., S.C., Ga., Ala., Miss., Ark., La., and Okla.
5/ Mont., Colo., Ariz., Idaho, Nev., N.Mex., Utah, and Wyo.
6/ Mich., Wis., and Minn.
7/ N.Dak., S.Dak., Nebr., and Kans.
8/ Five months of 1935 are unavailable.

Table 32.- Cash farm income, and indexes of prices paid by farmers, of prices received by farmers, and of rural retail sales, 1929-44

Year and month	Cash farm income 1/	Prices paid by farmers (1910-14 = 100)	Prices received by farmers (Aug. 1909-July 1914 = 100)	Rural retail sales 2/ (1929-31 = 100)
	Million dollars	Percent	Percent	Percent
1929	11,296	154	149	125
1930	9,021	146	128	99
1931	6,371	126	90	78
1932	4,743	108	68	63
1933	5,445	108	72	68
1934	6,780	122	90	84
1935	7,659	125	109	99
1936	8,654	124	114	115
1937	9,217	131	122	122
1938	8,168	123	97	114
1939	8,684	121	95	127
1940	9,106	122	100	134
1941	11,743	131	124	169
1942	3/ 16,071	152	159	191
1943	19,924	167	192	187
1943:				
September	1,992	169	193	193
October	4/ 2,282	170	194	174
November	4/ 2,043	171	194	186
December	4/ 1,741	173	196	135
1944:				
January	1,628	174	196	182
February	1,439	175	195	195
March	1,528	175	196	224
April	1,480	175	194	188
May	1,545	169	194	176
June	1,558	170	193	171
July	1,649	170	192	184
August	1,741	170	193	220
September	2,006	170	192	210

1/ Farm marketings. Includes Government payments.
2/ Adjusted for seasonal variations. Department of Commerce.
3/ Revised.
4/ Excludes dairy production payments of 17 million dollars during the last quarter of 1943, not allocatable by months.

Table 33.- Interest rates charged on new loans and discounts by institutions under the supervision of the Farm Credit Administration, December 31, 1934-43

Item	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Federal land banks:										
National farm loan associations:										
Contract rate	5	4	4	4	4	4	4	4	4	4
Reduced rate 1/	4 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Direct: 2/										
Contract rate	5 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Reduced rate 1/	5	4	4	4	4	4	4	4	4	4
Land Bank Commissioner:										
Contract rate	5	5	5	5	5	5	5	5	5	5
Reduced rate 1/	-	-	-	4	4	4	3 1/2	3 1/2	3 1/2	3 1/2
Production credit associations 3/	5	5	5	5	5	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Federal intermediate credit banks 3/	2	2	2	2	2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Banks for cooperatives: 3/										
Loans secured by Commodity Credit Corporation documents	-	-	-	-	-	-	-	-	-	3/4
Commodity loans	-	2	2	2	2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Operating capital loans	3	3	3	3	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Facility loans	4 1/2	4	4	4	4	4	4	3 1/2	3 1/2	3 1/2
Emergency crop and feed loans	5 1/2	5 1/2	5 1/2	4	4	4	4	4	4	4
Drought-relief loans	5 1/2	5 1/2	-	-	-	-	-	-	-	-
Regional agricultural credit corporations	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	5 1/2	5 1/2	4/ 5 1/2	4/ 5 1/2
Agricultural Marketing Act revolving fund:										
Operating capital loans	3	3	3	3	3	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Facility loans	4 1/2	4	4	4	4	4	4	4	3 1/2	3 1/2
Joint stock land bank liquidation fund	4	4	4	4	4	4	4	4	-	-

1/ Temporarily reduced rates to borrowers on Federal land bank and Land Bank Commissioner loans have been in effect since July 7, 1933 and July 22, 1937 respectively. Under existing legislation, the reduced rates to borrowers continue through July 1, 1944.
2/ Includes loans made in Puerto Rico.
3/ Interest rate in Puerto Rico, one-half of 1 percent higher.
4/ Under a program announced by the Secretary of Agriculture on January 21, 1943, the interest rate on production loans financed through the regional agricultural credit corporations was set at 5 percent.

NOTE: The interest rate on mortgage loans made by joint stock land banks varies from 4 percent to 6 percent per annum, the latter rate being the maximum allowed by law.

Farm Credit Administration.

Table 34.- Bond rates and yields and money rates, 1930-44

Year	Federal land bank bonds 1/		Federal Farm Mortgage Corporation bonds 1/		Federal intermediate credit bank debenture rates 1/ 5/	United States Government bond yields 6/			Industrial bond yields 8/	Rates on prime commercial paper (4-6 months 6/ 9/	Federal reserve bank discount rates, New York 6/ 10/
	Rates 2/	Yields 3/	Rates 2/	Yields 4/		Partially tax-exempt bonds 7/	Fully taxable bonds: 7-9 years	Fully taxable bonds: 15 years and over			
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1930	4.53	4.58			3.39	3.29			5.25	3.59	2 -4 1/2
1931	4.52	5.13			3.21	3.34			6.08	2.63	1 1/2-3 1/2
1932	4.53	5.32			3.33	3.68			6.71	2.73	2 1/2-3 1/2
1933	4.45	5.18			2.55	3.31			5.34	1.72	2 -3 1/2
1934	4.24	4.17	2.99	3.11	1.83	3.12			4.52	1.02	1 1/2-2
1935	3.86	3.13	2.87	2.77	1.50	2.79			4.02	.76	1 1/2
1936	3.60	2.81	2.87	2.42	1.50	2.65			3.50	.75	1 1/2
1937	3.54	2.75	2.87	2.42	1.50	2.68			3.55	.95	1 -1 1/2
1938	3.53	2.37	2.88	1.75	1.24	2.56			3.50	.81	1
1939	3.53	1.90	2.98	1.07	.88	2.36			3.30	.59	1
1940	3.53	1.70	3.00	.59	.75	2.21			3.10	.56	1
1941	3.53	-	3.00	11/ .70	.70	2.05			2.95	.54	1
1942	12/ 3.48	-	12/ 13/ 2.93	11/ .90	.77	2.09	1.93	2.46	2.96	.66	14/ 1
1943:											
Jan.-March	3.45	-	3.03	15/ .73	.80	2.10	16/ 1.98	16/ 2.48	2.88	.69	14/ 1
Apr.-June	3.45	-	3.03	15/ .67	.81	1.97	1.96	2.46	2.86	.69	14/ 1
July-Sept.	3.44	-	3.03	15/ .58	.78	1.91	1.95	2.46	2.80	.69	14/ 1
Oct.-Dec.	3.42	-	3.03	15/ .58	.85	1.93	1.99	2.48	2.84	.69	14/ 1
1944:											
Jan.-March	3.39	-	3.00	-	.87	1.93	1.97	2.49	2.83	.69	14/ 1
Apr.-June	3.27	-	17/ 1.00	-	.86	1.93	1.95	2.49	2.81	.73	14/ 1

1/ Farm Credit Administration.
2/ Based on bonds outstanding at end of each year or quarter.
3/ Average of daily yields on "asked" prices of all long-term issues, except those callable in 5 years or less. After May 1, 1941 all outstanding bonds were callable in 5 years or less.
4/ Average of daily yields on all outstanding issues with a minimum original term of 7 years or more.
5/ Based on debentures issued during each year or quarter.
6/ Board of Governors of the Federal Reserve System.
7/ 1930-40 average of daily yields on all outstanding issues due or callable in more than 12 years. Beginning in 1941, revised series; average of yields on all outstanding issues due or callable in more than 15 years.
8/ Moody's Investors Service.
9/ Prevailing open-market rates in New York City.
10/ Discount rate on advances secured by Government obligations maturing or callable beyond 1 year and discounts of and advances secured by eligible paper.
11/ Excludes two issues quoted on a negative-yield basis.
12/ Revised.
13/ Includes some 1-percent bonds held by United States Treasury.
14/ Excludes a rate of one-half of 1 percent which became effective October 30, 1942 on advances secured by Government obligations maturing or callable in 1 year or less.
15/ Both of the bond issues included in this series are callable in 1944.
16/ Data for March only since yields by length of term are not available for January and February.
17/ Represents only one issue of bonds, held entirely by United States Treasury.

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